UTAH COUNTIES INDEMNITY POOL

BOARD OF TRUSTEES MEETING

Thursday, February 20, 2014 12:30 p.m.

UCIP Offices, 10980 S. Jordan Gateway, South Jordan, UT

AGENDA

110.		
12:00	Lunch Provided	
12:30	Call to Order	Bruce Adams
ITEM	ACTION	
1	Review/Excuse Board Members Absent	Bruce Adams
2	Review/Approve January 16, 2014 Meeting Minutes	Karla Johnson
3	Ratification and Approval of Payments and Credit Card Transactions	Karla Johnson
4	Appoint Audit Committee Chair	Bruce Adams
5	Review/Approve 2013 Actuarial Report	Johnnie Miller
6	Review/Approve Actuarial Engagement Letter	Johnnie Miller
7	Review/Approve Investment Policy Addendum	Johnnie Miller
8	Review/Approve Amendments to the Employee Manual/Schedule of Discretionary Benefits	Johnnie Miller
9	Review Legislative Activities Potentially Effecting UCIP	Bruce Adams
10	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	Bruce Adams
11	Action on Personnel Matters	Bruce Adams
12	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Bruce Adams
13	Action on Litigation Matters	David Blackwell
	INFORMATION	
14	Chief Executive Officer's Report	Johnnie Miller
15	Other Business	Bruce Adams

Electronic Meeting Notice: 888-447-7153, Participant Passcode: 2261240



Entity: Utah Counties Indemnity Pool

Public Body: Board of Trustees

Subject:

Administrative Procedure

Notice Title:

Board of Trustees Meeting

10980 S. Jordan Gateway

Meeting Location:

South Jordan 84095

Notice Date & Time:

February 20, 2014 12:30 PM - 3:30 PM

Description/Agenda:

Call to

Order

Review/Excuse Board Members Absent Review/Approve January 16, 2014 Meeting Minutes Ratification and Approval of Payments and Credit Card Transactions Appoint Audit Committee Chair

Review/Approve 2013 Actuarial Report Review/Approve Actuarial Engagement Letter

Review/Approve Bylaws Investment Policy Addendum

Review/Approve Amendments to the Employee Manual/Schedule of Discretionary Benefits Review Legislative Activities Potentially

Effecting UCIP

Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual

Action on Personnel Matters

Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent

Litigation

Action on Litigation Matters Chief Executive Officer's Report Other Business

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary

Public Meeting Notice

Notice of Special Accommodations:	communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Indemnity Pool, PO Box 95730, South Jordan, UT 84095-0730, or call 801-307-2113, at least three days prior to the meeting.
Notice of Electronic or telephone participation:	Any Member of the Utah Counties Indemnity Pool Board of Trustees may participate telephonically.
Other information:	
Contact Information:	Sonya White 801-565-8500 sonya@ucip.utah.gov
Posted on:	February 19, 2014 10:42 AM
Last edited on:	February 19, 2014 10:42 AM

Printed from Utah's Public Notice Website (http://pmn.utah.gov/)



BOARD OF TRUSTEES' MEETING MINUTES

February 20, 2014, 12:30 p.m.

Utah Counties Indemnity Pool Offices 10980 S. Jordan Gateway, South Jordan, UT

BOARD MEMBERS PRESENT

Bruce Adams, *President*, San Juan County Commissioner Jim Eardley, *Vice President*, Washington County Commissioner Karla Johnson, Secretary/Treasurer Kane County Clerk/Auditor

Alma Adams, Iron County Commissioner David Blackwell, Emery County Attorney Bill Cox, Rich County Commissioner Kerry Gibson, Weber County Commissioner Bret Millburn, Davis County Commissioner

Seth Oveson, Carbon County Clerk/Auditor Mike Wilkins, Uintah County Clerk/Auditor

BOARD MEMBERS TELEPHONICALLY

Alden Orme, Juab County Sheriff

BOARD MEMBERS ABSENT

Brad Dee, Weber County Human Resources Director

OTHERS PRESENT

Johnnie Miller, UCIP Chief Executive Officer Sonya White, UCIP Chief Financial Officer

Call to Order

Bruce Adams called this meeting, of the Utah Counties Indemnity Pool's Board of Trustees, to order at 12:30 p.m. on February 20, 2014 and welcomed those in attendance.

Review/Excuse Board Members Absent

Jim Eardley made a motion to excuse Brad Dee from this meeting. Mike Wilkins seconded the motion, which passed unanimously.

Review/Approve January 16, 2014 Meeting Minutes

The minutes, of the Board of Trustees meeting held January 16, 2014, were previously sent to the Board Members for review (see attachment number one). Alden Orme requested that the Review/Appoint Member(s) of the Law Enforcement Committee item be corrected to read: Alden Orme recommended that the following members be appointed to the Law Enforcement Committee: Robert Dekker, Millard County Sheriff; Rick Eldredge, San Juan County Sheriff; Cameron Noel, Beaver County Sheriff; Cory Pulsipher, Washington County Sheriff; and Lamont Smith, Kane County Sheriff. Alden Orme made a motion to appoint Robert Dekker, Rick Eldredge, Cameron Noel, Cory Pulsipher and Lamont Smith to the Law Enforcement Committee. Karla Johnson seconded the motion, which passed unanimously. Jim Eardley made a motion to approve the January 16, 2014 minutes as corrected. Mike Wilkins seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

The payments made, the payments to be made and the credit card transactions were reviewed by the Board (see attachment number two). Karla Johnson made a motion to approve the payments made, the payments to be made and the credit card transactions as presented. Jim Eardley seconded the motion, which passed unanimously.

Appoint Audit Committee Chair

Pursuant to the executed and signed Sixth Amended Interlocal Cooperation Agreement, by all Members of the Pool, Mike Wilkins made a motion to appoint Karla Johnson as the Chair of the Audit Committee of the Board. Seth Oveson seconded the motion, which passed unanimously. Bruce Adams directed staff to notify all members of the available At-Large Board position that Karla Johnson previously held. The Nominating Committee will receive and review all notices by those who are interested in serving.

Review/Approve 2013 Actuarial Report

The Actuarial Reserve Analysis, as of December 31, 2013, was previously sent to the Board Members for review (see attachment number three). Pursuant to the findings of By The Numbers Actuarial Consulting, the Pool's experience indicates that required "expected" reserves will fall within the range established by the analysis. The possibility exists that unexpected circumstances could cause the actual reserves to be less than or greater than the range. The Actuary estimated "expected" loss reserves (a 66% confidence level) to be \$8,970,000. Seth Oveson made a motion to approve \$9,200,000 in loss reserves, which is between the expected and high level. Mike Wilkins seconded the motion, which passed; Jim Eardley opposed.

Review/Approve Actuarial Engagement Letter

Johnnie Miller reviewed the 2014 Actuarial Services Engagement Letter with the Board (see attachment number four). By The Numbers Actuarial Consulting (BYNAC) will provide an estimated required reserves report, indicated contributions report and an individual member loss ratio and equity report. The total cost of services is \$12,500 annually. Johnnie Miller explained that the price is reasonable for these services. Bret Millburn made a motion to approve the 2014 Actuarial Services Engagement Letter between BYNAC and the Pool. Kerry Gibson seconded the motion, which passed unanimously.

Review/Approve Investment Policy Addendum

Johnnie Miller reviewed the Investment Policy Addendum with the Board (see attachment number five). Amendments to the Policy are to correct the name of the organization and the title of responsible party over the daily financial transactions and reporting. David Blackwell made a motion to approve the Investment Policy Addendum as presented. Alma Adams seconded the motion, which passed unanimously. The Investment Policy shall be reviewed by the Audit Committee annually and any modifications made thereto must be submitted for adoption by the Board of Trustees.

Review/Approve Amendments to the Employee Manual/Schedule of Discretionary Benefits

Johnnie Miller reviewed the proposed amendments to the 2014 Employee Manual/Schedule of Discretionary Benefits with the Board (see attachment number six). Kerry Gibson made a motion to approve the 2014 Employee Manual and supporting Schedule of Discretionary Benefits as presented and discussed. Karla Johnson seconded the motion, which passed unanimously.

Review Legislative Activities Potentially Effecting UCIP

Johnnie Miller reported on the status of HB382, Limited Purpose Local Government Entities Amendments, HB17, Interlocal Act Amendments, and HB20, Emergency Vehicle Operator Duty of Care Revisions.

Set Date and Time for Closed Meeting

Bret Millburn made a motion to strike agenda item: Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual. Mike Wilkins seconded the motion, which passed unanimously.

Action on Personnel Matters

Bret Millburn made a motion to strike agenda item: Action on Personnel Matters. Mike Wilkins seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

David Blackwell made a motion to strike agenda item: Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation. Bret Millburn seconded the motion, which passed unanimously.

Action on Litigation Matters

David Blackwell made a motion to strike agenda item: Action on Litigation Matters. Bret Millburn seconded the motion, which passed unanimously.

Chief Executive Officer's Report

Johnnie Miller reported on the following: 1) Defense of a takings matter in Sanpete County; 2) Reinsurer has confirmed that higher Cyber Liability limits can be offered to all members; 3) A presentation on contracts was given to members of the Utah Association of Fairs & Events; 4) Meeting with Mark Hessel, HCA, regarding the appraisal schedule for 2014; 5) Success of the Facilities Management Workshop; 6) Training to be conducted in Juab and San Juan Counties; 7) Meeting with Millard County Commissioners to finalize purchasing policy; 8) Planning & Zoning Workshop (March 6); 9) AGRIP Governance Conference (March 8-12); and 10) No pressing items for March 21 Board meeting.

Other Business

Karla Johnson reported that the producer(s) of The County Seat would like to do a program on the creation of UCIP by counties, the advantages of this county owned organization and how UCIP is a prime example of Interlocal success. The Board agreed this is a great opportunity and directed Karla to continue discussions with Chad Booth and Derek Dowsett.

The next meeting of the Board of Trustees will be held Friday, April 18, 2014, 12:30 p.m. at the Lion House, 63 E. South Temple, Salt Lake City.

Approved on this 20 th day of February 2014

Approved on this 20 th day of February 2014

Karla Johnson, Secretary/Treasurer

		* **

Utah Counties Indemnity Pool Payments January 17 - February 20, 2014

Type	Date	Num	Name	Memo	Amount
ML Expense	T				
Liability Check	01/30/2014		QuickBooks Payroll Service	Adiostad for collection of the LCS	
Liability Check	01/30/2014		QuickBooks Payroll Service	Adjusted for voided paycheck(s) Created by Payroll Service on 01/24/2014	-5,747.04
Liability Check	02/13/2014		QuickBooks Payroll Service	Created by Payroll Service on 01/24/2014	-4,723.74
Liability Check	01/28/2014	ONLINE	United States Treasury	Created by Payroll Service on 02/10/2014	-9,984.71
Liability Check	01/31/2014	ONLINE	Utah Retirement Systems	EFT ACKNOWLEDGEMENT NUMBER: 2704428636353	-4,233.16
Liability Check	01/31/2014	ONLINE		Confirmation Number: 012255143593	-6,352.41
Liability Check	01/30/2014		Nationwide Retirement Solutions	Entity: 0036786001	-1,797.57
Liability Check		ONLINE	Utah State Tax Commission	Confirmation Number: 0-657-373-696	-1,374.80
Check	02/13/2014	ONLINE	United States Treasury	EFT ACKNOWLEDGEMENT NUMBER: 270444440868180	-4,010.04
Check	01/24/2014	VISA	Wells Fargo	Account Number: 4856 2002 0207 3675	-381.30
Check	01/24/2014	VISA	Wells Fargo	Account Number: 4856 2002 0893 3427	-60.45
	01/24/2014	VISA	Wells Fargo	Account Number: 4856 2002 0207 3691	-548.68
Check	01/24/2014	7038	PEHP-LTD	Coverage Period: JAN 2014	-177.83
Liability Check	01/24/2014	7039	Public Employees Health Program	Policy Number 1076 (Jan)	-4.718.34
Check	01/24/2014	7040	Bruce Adams	Mileage Reimbursement	-336.00
Check	01/24/2014	7041	Mike Wilkins	Mileage Reimbursement	-203.84
Check	01/24/2014	7042	Bret Millburn	Expense Reimbursement	-35.84
Check	01/24/2014	7043	Iron County	Alma Adams Mileage Reimbursement	-246.40
Check	01/24/2014	7044	Jim Eardley	Mileage Reimbursement	-313.60
Check	01/24/2014	7045	Kerry Gibson	Mileage Reimbursement	-57.12
Check	01/24/2014	7046	Karla Johnson	Expense/Mileage Reimbursement	-332.20
Check	01/24/2014	7047	David Blackwell	Mileage Reimbursement	-174.72
Check	01/24/2014	7048	Bill Cox	Mileage Reimbursement	
Check	01/24/2014	7049	Seth Oveson	Mileage Reimbursement	-123.20
Bill Pmt -Check	01/24/2014	7050	AGRIP	VOID: Advisory Standards Recognition Application	-118.72
Bill Pmt -Check	01/24/2014	7051	By The Numbers Actuarial Consultin	Invoice Number: 2014-018	0.00
Bill Pmt -Check	01/24/2014	7052	County Reinsurance, Limited	2014 Liability Reinsurance	-5,000.00
Bill Pmt -Check	01/24/2014	7053	Les Olson Company	Invoice Number: EA499703	-971,180.00
Bill Pmt -Check	01/24/2014	7054	Media One of Utah		-49.90
Bill Pmt -Check	01/24/2014	7055	Office Depot	Invoice Number: I00928878-12212013	-176.36
Bill Pmt -Check	01/24/2014	7056	Pitney Bowes Global Financial Servic	35538769	-12.11
Bill Pmt -Check	01/24/2014	7057	Purchase Power	Invoice Number: 1528795-JA14	-199.00
Check	01/24/2014	7058	Johnnie R. Miller	Account Number:8000909001895759	-250.00
Bill Pmt -Check	01/24/2014	7059		Expense Reimbursement	-213.00
Bill Pmt -Check	01/24/2014		Christensen & Jensen	Invoice Number: 76853	-198.00
Bill Pmt -Check		7060	Strong & Hanni	Invoice Number: 129734	-378.00
Bill Pmt -Check	01/24/2014	7061	Paetec	Invoice Number: 6369173	-705.06
	02/03/2014	7062	Deluxe for Business	Invoice Number: 0045084324	-753.60
Bill Pmt -Check	02/03/2014	7063	Utah Association of Counties	Order Number: 236852622	-63.75
Bill Pmt -Check	02/03/2014	7064	Western AgCredit	Invoice Number: 2-2014	-9,605.70
Bill Pmt -Check	02/03/2014	7065	Utah Association of Counties	Order Number: 246662169	-450.00
Check	02/10/2014	7066	Johnnie R. Miller	Mileage Reimbursement	-530.32
Bill Pmt -Check	02/14/2014	7067	AGRIP	Member Number: 393	-3.375.00
Check	02/20/2014	7068	Heidi Wilcock	November Antique Show Policy Refund	-139.05
Check	02/20/2014	7069	Johnnie R. Miller	Mileage Reimbursement	-239.68
Bill Pmt -Check	02/20/2014	7070	Les Olson Company	Invoice Number: EA504401	-43.00
Bill Pmt -Check	02/20/2014	7071	McDonald Fielding PLLC	Invoice Number: 20977	-165.00
Bill Pmt -Check	02/20/2014	7072	Office Depot	35538769	-38.46
Bill Pmt -Check	02/20/2014	7073	Revco Leasing Company, LLC	Invoice Number: 350279	-435.91
Bill Pmt -Check	02/20/2014	7074	Utah Chapter of PRIMA	2014 PRIMA Membership	-435.91
Bill Pmt -Check	02/20/2014	7075	Office Depot	35538769	
Bill Pmt -Check	02/20/2014	7076	Office Depot	35538769	-283.00
Total ML Expense		70.50265	consistence and Tra-	3333, 33	-1,040,650.20
					-1,040,050.20

	*		

Draft Issued 1/21/14

mking@bynac.com



UTAH COUNTIES INDEMNITY POOL

ACTUARIAL REPORT Reserve Analysis as of 12/31/13

1.000

Table 1

UTAH COUNTIES INDEMNITY POOL

GENERAL LIABILITY

INCURRED LOSS DEVELOPMENT FACTORS

(Unlimited Losses Including ALAE Gross of Recoveries)

A. INCURRED LOSSES

			0.5	46		olicy Period in I		06	108	120	132
Policy	12	24	36	48	60	72 Mantha	84 Mantha	96 Months	108 Months	120 Months	Months
Period	Months	Months	Months	Months	Months	Months	Months	Months	IVIORITIS	IVIONUS	WOTHIS
/1-12/31/99	329,829	889,534	842,742	910,646	987,003	1,096,883	1,109,062	1,221,840	1,223,252	1,248,252	1,348,25
/1-12/31/00	399,178	418,834	493,468	581,030	568,014	545,092	549,808	541,617	541,617	541,617	541,61
/1-12/31/01	239,503	445,661	777,071	985,018	823,862	932,505	987,505	1,027,505	994,809	994,809	942,15
/1-12/31/02	300,816	684,962	1,028,309	1,296,995	1,313,077	1,418,808	1,624,943	1,495,182	1,460,378	1,460,378	1,505,37
/1-12/31/03	445,552	768,721	1,335,148	2,182,821	2,205,462	2,189,524	2,099,815	2,119,815	2,119,706	2,119,706	2,119,70
/1-12/31/04	510,486	752,310	926,007	949,509	1,302,657	1,598,924	1,722,872	1,885,478	1,790,140	1,796,574	
/1-12/31/05	470,813	850,110	1,076,896	1,373,428	1,395,881	1,419,109	1,439,665	1,439,665	1,439,665		
/1-12/31/06	323,685	219,431	578,370	1,343,140	1,592,921	3,826,655	4,002,073	3,958,267			
/1-12/31/07	565,829	1,112,390	1,206,525	1,329,514	1,212,341	1,305,796	1,645,703				
/1-12/31/08	440,954	451,484	773,198	1,096,779	1,342,085	1,443,079					
/1-12/31/09	426,708	737,506	1,275,683	1,550,969	2,088,856						
/1-12/31/10	627,527	1,131,457	1,569,109	2,486,039	21 197						
/1-12/31/11	577,127	1,539,890	1,745,291								
/1-12/31/12	694,190	1,675,269									
/1-12/31/13	882,983										
. AGE-T	O-AGE FACTO	RS									
Policy	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to
Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Ultimate

1-12/31/99	2.697	0.947	1.081	1.084	1.111	1.011	1.102	1.001	1.020	1.080	
/1-12/31/00	1.049	1.178	1.177	0.978	0.960	1.009	0.985	1.000	1.000	1.000	
1-12/31/01	1.861	1.744	1.268	0.836	1.132	1.059	1.041	0.968	1.000	0.947	
/1-12/31/02	2.277	1.501	1.261	1.012	1.081	1.145	0.920	0.977	1.000	1.031	
/1-12/31/03	1.725	1.737	1.635	1.010	0.993	0.959	1.010	1.000	1.000	1.000	
/1-12/31/04	1.474	1.231	1.025	1.372	1.227	1.078	1.094	0.949	1.004		
/1-12/31/05	1.806	1.267	1.275	1.016	1.017	1.014	1.000	1.000			
/1-12/31/06	0.678	2.636	2.322	1.186	2.402	1.046	0.989				
/1-12/31/07	1.966	1.085	1.102	0.912	1.077	1.260					
/1-12/31/08	1.024	1.713	1.418	1.224	1.075						
/1-12/31/09	1.728	1.730	1.216	1.347							
/1-12/31/10	1.803	1.387	1.584								
/1-12/31/11	2.668	1.133									
/1-12/31/12	2.413										
verage	1.798	1.484	1.364	1.089	1.208	1.065	1.018	0.985	1.004	1.012	
verage Vtd Avg	1.838	1.362	1.354	1.009	1.238	1.059	1.011	0.983	1.004	1.015	
	2.295	1.417	1.406	1.161	1.518	1.107	1.028	0.983	1.001	0.993	
Yr Avg Yr Mid Avg	1.981	1.417	1.406	1.142	1.126	1.046	1.000	0.982	1.000	1.010	
	1.770	1.530	1.270	1.075	1.060	1.050	1.010	1.005	1.005	1.005	1.000
rior Selected	1.770	1.420	1.375	1.105	1.075	1.055	1.010	1.005	1.005	1.005	1.000
elected	1.670	1.420	1.575	1.100	1.070	1.000	1.010	1.000			
. INCUF	RED LOSS DE	VELOPMENT	FACTORS								
	12 to	24 to	36 to	48 to	60 to	72 to	84 to	96 to	108 to	120 to	132 to
	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate



4.690

2.508

1.766

1.284

1.081

1.025

1.162

1.015

1.010

1.005

Table 3

UTAH COUNTIES INDEMNITY POOL

GENERAL LIABILITY

PAID LOSS DEVELOPMENT FACTORS

(Unlimited Losses Including ALAE Gross of Recoveries)

A. PAID LOSSES

					Age of Po	olicy Period in	Months				
Policy	12	24	36	48	60	72	84	96	108	120	132
Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months
1/1-12/31/99	41,537	202,200	388,732	481,750	846,831	938,898	1,011,517	1,133,115	1,158,543	1,174,900	1,287,827
1/1-12/31/00	69,313	146,638	258,333	494,040	522,360	529,543	536,781	541,617	541,617	541,617	541,617
1/1-12/31/01	22,756	205,277	423,733	613,007	727,659	846,145	880,751	911,444	935,436	938,543	942,150
1/1-12/31/02	86,850	444,019	729,086	891,499	1,028,333	1,121,406	1,345,768	1,437,958	1,439,372	1,453,860	1,480,328
1/1-12/31/03	79,859	411,101	782,062	1,598,035	2,034,018	2,084,954	2,095,780	2,119,353	2,119,706	2,119,706	2,119,706
1/1-12/31/04	45,060	268,980	539,737	690,508	842,945	1,361,668	1,498,066	1,789,443	1,790,140	1,796,574	.a152
1/1-12/31/05	88,476	419,170	717,115	902,294	989,944	1,076,867	1,439,665	1,439,665	1,439,665	3.*C0002304504503000	
1/1-12/31/06	50,738	93,882	245,012	783,495	1,176,485	3,799,531	3,922,919	3,940,118	professional and the second second		
1/1-12/31/07	108,280	450,907	810,602	1,062,253	1,133,501	1,226,547	1,338,098				
1/1-12/31/08	79,195	221,780	447,111	762,705	1,002,102	1,243,634					
1/1-12/31/09	47,640	260,859	793,937	1,154,591	1,506,284						
1/1-12/31/10	96,108	380,795	949,015	1,838,151	10. • POD 12.0 (10						
1/1-12/31/11	252,736	829,454	1,124,220								
1/1-12/31/12	225,079	543,644									
1/1-12/31/13	49,371	* Table 10 - California									
B. AGE-TO	-AGE FACTO	RS									
				10							
Policy	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to 132	132 to
Period	Months	Months	Months	Months	Months	Months	Months	Months	Months	Months	Ultimate
								Wienale	- Morraro	WORKIO	Ottimate
1/1-12/31/99	4.868	1.923	1.239	1.758	1.109	1.077	1.120	1.022	1.014	1.096	
1/1-12/31/00	2.116	1.762	1.912	1.057	1.014	1.014	1.009	1.000	1.000	1.000	
1/1-12/31/01	9.021	2.064	1.447	1.187	1.163	1.041	1.035	1.026	1.003	1.004	
1/1-12/31/02	5.112	1.642	1.223	1.153	1.091	1.200	1.069	1.001	1.010	1.018	
1/1-12/31/03	5.148	1.902	2.043	1.273	1.025	1.005	1.011	1.000	1.000	1.000	
1/1-12/31/04	5.969	2.007	1.279	1.221	1.615	1.100	1.195	1.000	1.004	1.000	
1/1-12/31/05	4.738	1.711	1.258	1.097	1.088	1.337	1.000	1.000	1.004		
1/1-12/31/06	1.850	2.610	3.198	1.502	3.230	1.032	1.004	1.000			
1/1-12/31/07	4.164	1.798	1.310	1.067	1.082	1.091	1.004				
1/1-12/31/08	2.800	2.016	1.706	1.314	1.241	1.001					
1/1-12/31/09	5.476	3.044	1.454	1.305	1.271						
1/1-12/31/10	3.962	2.492	1.937	1.505							
1/1-12/31/11	3.282	1.355	1.507								
1/1-12/31/12	2.415	1.000									
171 12/01/12	2.410										
Average	4.352	2.025	1.667	1.267	1.366	1.100	1.055	1.007	1.005	1.024	
Wtd Avg	3.771	1.894	1.591	1.252	1.381	1.083	1.046	1.007	1.005	1.024	
3 Yr Avg	3.220	2.297	1.699	1.229	1.851	1.153	1.066			1.023	
5 Yr Mid Avg	3.348	2.102	1.699	1.239	1.315	1.074		1.000	1.005	1.007	
Prior	3.925	2.205	1.525	1.239			1.028	1.000	1.002	1.007	4 000
					1.110	1.100	1.060	1.010	1.010	1.010	1.000
Selected	3.560	2.000	1.645	1.245	1.145	1.080	1.050	1.010	1.010	1.005	1.000
0 041514	000 DEVEL 05	DATE TAGE	NDC								
C. PAID LO	JOS DEVELOF	PMENT FACTO	JKS								
	40.			V2000	220	22077					
	12 to	24 to	36 to	48 to	60 to	72 to	84 to	96 to	108 to	120 to	132 to
0.	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate



19.395

5.448

2.724

1.656

1.162

1.076

1.025

1.015

1.005

1.000

1.330

Table 7

UTAH COUNTIES INDEMNITY POOL

GENERAL LIABILITY

SELECTED ESTIMATED ULTIMATE INCURRED LOSSES

(Limited to Specific Retention)

A. SELECTED ULTIMATE LOSSES GROSS OF RECOVERIES

Policy Period	Incurred Loss Development Method	Paid Loss Development Method	Incurred Bornhuettter- Ferguson Method	Paid Bornhuettter- Ferguson Method	Selected Estimated Ultimate Incurred Losses#
1/1-12/31/99	\$ 1,046,826	\$ 1,046,826	\$ 1,046,826	\$ 1,046,826	\$ 1,046,826
1/1-12/31/00	541,617	541,617	541,617	541,617	541,617
1/1-12/31/01	953,150	942,150 *	953,150	942,150 *	953,150
1/1-12/31/02	1,478,974	1,478,974	1,478,974	1,478,974	1,478,974
1/1-12/31/03	1,590,201	1,590,201	1,590,201	1,590,201	1,590,201
1/1-12/31/04	1,410,573	1,410,573	1,410,573	1,410,573	1,410,573
1/1-12/31/05	1,234,877	1,234,877	1,234,877	1,234,877	1,234,877
1/1-12/31/06	1,316,792	1,311,163	1,317,833	1,311,985	1,314,443
1/1-12/31/07	1,481,846	1,439,793 *	1,479,412	1,437,820 *	1,480,629
1/1-12/31/08	1,478,893	1,445,103	1,478,973	1,449,158	1,478,933 ~
1/1-12/31/09	2,205,029	1,965,533	2,148,031	1,924,629	2,176,530 ~
1/1-12/31/10	3,005,894	3,026,557	2,873,588	2,781,882	2,939,741 ~
1/1-12/31/11	2,148,964	1,676,880	2,345,512	2,261,836	2,247,238 ~
1/1-12/31/12	3,648,215	2,961,773	3,092,145	2,467,388	3,234,044 &
1/1-12/31/13	4,141,190	957,551	2,291,713	1,746,291	2,291,713 ^
Total	\$27,683,041	\$23,029,571	\$25,283,425	\$23,626,207	\$25,419,489

B. SELECTED ULTIMATE LOSSES NET OF RECOVERIES

Policy Period	Selected Estimated Ultimate Gross of Recoveries	Recoveries	Selected Estimated Ultimate Net of Recoveries
1/1-12/31/99	\$ 1,046,826	\$ 770	\$ 1,046,056
1/1-12/31/00	541,617	1,863	539,754
1/1-12/31/01	953,150	2	953,148
1/1-12/31/02	1,478,974	45,500	1,433,474
1/1-12/31/03	1,590,201	0	1,590,201
1/1-12/31/04	1,410,573	1,575	1,408,998
1/1-12/31/05	1,234,877	1,563	1,233,314
1/1-12/31/06	1,314,443	0	1,314,443
1/1-12/31/07	1,480,629	468	1,480,161
1/1-12/31/08	1,478,933	0	1,478,933
1/1-12/31/09	2,176,530	0	2,176,530
1/1-12/31/10	2,939,741	21,820	2,917,921
1/1-12/31/11	2,247,238	0	2,247,238
1/1-12/31/12	3,234,044	0	3,234,044
1/1-12/31/13	2,291,713	0	2,291,713
Total	\$25,419,489	\$ 73,561	\$25,345,928

- # Selected the average unless otherwise noted.
- * Substituted the corresponding incurred method in the average since this estimate is less than incurred losses.
- ~ Selected the average of the incurred methods.
- & Selected an average of the development methods and incurred Bornhuetter-Ferguson method.
- ^ Selected the incurred Bornhuetter-Ferguson method due to the immaturity of the period.



Table 31

UTAH COUNTIES INDEMNITY POOL

ALL COVERAGES

ESTIMATED REQUIRED RESERVES AS OF 12/31/13

(Limited to Specific and Aggregate Retentions) (Net of Recoveries)

A. LOSS SUMMARY

Policy Period	Estimated Ultimate Incurred Losses	Incurred Losses as of 12/31/13	Paid Losses as of 12/31/13
1/1-12/31/99	\$ 1,530,000	\$ 1,530,000	\$ 1,530,000
1/1-12/31/00	1,067,854	1,067,854	1,067,854
1/1-12/31/01	1,715,000	1,715,000	1,715,000
1/1-12/31/02	1,850,000	1,850,000	1,850,000
1/1-12/31/03	2,418,958	2,418,958	2,418,958
1/1-12/31/04	2,662,597	2,662,597	2,662,597
1/1-12/31/05	2,526,117	2,526,117	2,526,117
1/1-12/31/06	2,444,713	2,427,602	2,408,752
1/1-12/31/07	2,620,359	2,585,433	2,477,828
1/1-12/31/08	3,142,836	3,031,982	2,907,537
1/1-12/31/09	3,164,098	2,885,183	2,465,412
1/1-12/31/10	3,612,306	3,013,604	2,500,196
1/1-12/31/11	3,192,531	2,270,584	1,719,111
1/1-12/31/12	4,245,877	2,673,000	1,538,375
1/1-12/31/13	3,151,548	1,586,686	586,016
Total	\$39,344,794	\$34,244,600	\$30,373,753

B. ESTIMATED REQUIRED RESERVES AS OF 12/31/13

Policy Period	Case Reserves as of 12/31/13	Estimated IBNR as of 12/31/13	Estimated Required Reserves as of 12/31/13	
1/1-12/31/99	\$ 0	\$ 0	\$ 0	
1/1-12/31/00	0	0	0	
1/1-12/31/01	0	0	0	
1/1-12/31/02	0	0	0	
1/1-12/31/03	0	0	0	
1/1-12/31/04	0	0	0	
1/1-12/31/05	0	0	0	
1/1-12/31/06	18,850	17,111	35,961	
1/1-12/31/07	107,605	34,926	142,531	
1/1-12/31/08	124,445	110,854	235,299	
1/1-12/31/09	419,771	278,915	698,686	
1/1-12/31/10	513,408	598,702	1,112,110	
1/1-12/31/11	551,473	921,947	1,473,420	
1/1-12/31/12	1,134,625	1,572,877	2,707,502	
1/1-12/31/13	1,000,670	1,564,862	2,565,532	
Total	\$ 3,870,847	\$ 5,100,194	\$ 8,971,041	



COMPARISON OF ESTIMATED ULTIMATE INCURRED LOSSES TO PRIOR ACTUARIAL REPORT ALL COVERAGES

(Limited to Specific and Aggregate Retentions) (Net of Recoveries)

Policy Period	Current Analysis (Table 30 Section B)	2/25/13 Report (Table 31 Section B)	Change	Percent Change
1/1-12/31/99	\$ 1,530,000 @	\$ 1,530,000 @	\$ 0	0.0%
1/1-12/31/00	1,067,854	1,067,854	0	0.0%
1/1-12/31/01	1,715,000 @	1,715,000 @	0	0.0%
1/1-12/31/02	1,850,000 @	1,850,000 @	0	0.0%
1/1-12/31/03	2,418,958	2,419,948	(990)	(0.0%)
1/1-12/31/04	2,662,597	2,656,163	6,434	0.2%
1/1-12/31/05	2,526,117	2,526,117	0	0.0%
1/1-12/31/06	2,444,713	2,497,009	(52,296)	(2.1%)
1/1-12/31/07	2,620,359	2,544,270	76,089	3.0%
1/1-12/31/08	3,142,836	3,142,492	344	0.0%
1/1-12/31/09	3,164,098	2,789,121	374,977	13.4%
1/1-12/31/10	3,612,306	3,113,098	499,208	16.0%
1/1-12/31/11	3,192,531	3,472,038	(279,507)	(8.1%)
1/1-12/31/12	4,245,877	3,618,948	626,929	17.3%
Total	\$36,193,246	\$34,942,058	\$1,251,188	3.6%

[@] Limited to the aggregate retention.



FINDINGS

The findings are the product of loss experience, actuarial assumptions, quantitative analysis, and professional judgment. The estimated required reserves are expressed in terms of ranges that indicate the reliance on assumptions believed to be reasonable and are subject to all the limitations expressed herein.

ESTIMATED REQUIRED RESERVES

The required reserves shown in the following tables should be used for financial statement reporting as of that date. However, until all the claims that occurred on or before 12/31/13 are closed, the actual reserve need remains an estimate. While the experience of UCIP indicates that the required reserves will fall within the range established in this report, the possibility exists that extraordinary or unexpected circumstances could cause the actual reserve need to be less than or greater than the range. Therefore, the findings cannot be warranted or guaranteed.

ESTIMATED LOSS AND ALAE RESERVES INCLUDING IBNR FOR 1/1/92-12/31/13 AS OF 12/31/13 (Limited to Specific and Aggregate Retentions)

	Line of Business	Low	Expected	High
Undiscounted for	GL	\$7,850,000	\$8,630,000	\$10,030,000
Investment Income	AL	160,000	180,000	250,000
	Property	150,000	160,000	180,000
	Total	\$8,160,000	\$8,970,000	\$10,460,000
Discounted at 0.7%	GL	\$7,710,000	\$8,480,000	\$9,860,000
per Annum	AL	160,000	180,000	250,000
	Property	150,000	160,000	180,000
	Total	\$8,020,000	\$8,820,000	\$10,290,000



Table 33

UTAH COUNTIES INDEMNITY POOL

ALL MULTI-LINE COVERAGES

HISTORICAL PROFITABILITY ANALYSIS

ESTIMATED UNDERWRITING INCOME

				Estimated		
Policy Period	Premium*	Operating Expenses*	Funds Available for Claims	Ultimate Incurred Losses	Und	imated erwriting come
1/1-12/31/01	\$ 3,222,871	\$ 1,489,185	\$ 1,733,686	\$ 1,715,000	\$	18,686
1/1-12/31/02	3,505,736	1,644,953	1,860,783	1,850,000		10,783
1/1-12/31/03	3,930,854	2,042,668	1,888,186	2,418,958	(530,772)
1/1-12/31/04	4,194,644	2,048,851	2,145,793	2,662,597	(516,804)
1/1-12/31/05	4,217,591	2,046,257 #	2,171,334	2,526,117	(354,783)
1/1-12/31/06	4,195,406	2,058,540 #	2,136,866	2,444,713	(307,847)
1/1-12/31/07	4,676,898	2,426,559 #	2,250,339	2,620,359	(370,020)
1/1-12/31/08	5,146,934	2,145,715	3,001,219	3,142,836	(141,617)
1/1-12/31/09	5,573,525 ^	2,012,633 ^	3,560,892	3,164,098		396,794
1/1-12/31/10	5,710,286	2,444,578	3,265,708	3,612,306	(346,598)
1/1-12/31/11	5,922,572	2,401,787	3,520,785	3,192,531		328,254
1/1-12/31/12	6,282,067	2,625,921	3,656,146	4,245,877	(589,731)
1/1-12/31/13	5,085,654 ~	2,787,234 ~	2,298,420	3,151,548	(853,128)
Total	\$61,665,038	\$28,174,881	\$33,490,157	\$36,746,940	(\$3	,256,783)

ESTIMATED FUND BALANCE

Policy Period	Und	timated erwriting acome	&	terest Other come*		timated Income	Div	idends	Net	timated Income Dividends
1/1-12/31/01	\$	18,686	\$	434,407	\$	453,093			\$	453,093
1/1-12/31/02		10,783		237,750		248,533				248,533
1/1-12/31/03	(530,772)		223,149	(307,623)			(307,623)
1/1-12/31/04	(516,804)		230,501	(286,303)			(286,303)
1/1-12/31/05	(354,783)		400,393		45,610				45,610
1/1-12/31/06	(307,847)		618,976		311,129				311,129
1/1-12/31/07	(370,020)		554,819		184,799				184,799
1/1-12/31/08	(141,617)	(42,271)	(183,888)			(183,888)
1/1-12/31/09		396,794		176,378 ^		573,172			1071	573,172
1/1-12/31/10	(346,598)		302,702	(43,896)			(43,896)
1/1-12/31/11		328,254		520,411		848,665				848,665
1/1-12/31/12	(589,731)		437,299	(152,432)			(152,432)
1/1-12/31/13	(853,128)		76,972 ~	(776,156)	\$	91,828		867,984)
Total	(\$3	3.256.783)	\$4	.171.486	s	914.703	\$	91 828	\$	822 875

C. LOSS RATIOS

Policy Period	Paid Loss Ratio as of 12/31/13	Incurred Loss Ratio as of 12/31/13	Estimated Ultimate Incurred Loss Ratio	Permissible Loss Ratio (Funds Available/ Premium)	Combined Ratio [(Losses+ Expenses)/ Premium]
1/1-12/31/01	0.532	0.532	0.532	0.538	0.994
1/1-12/31/02	0.528	0.528	0.528	0.531	0.997
1/1-12/31/03	0.615	0.615	0.615	0.480	1.135
1/1-12/31/04	0.635	0.635	0.635	0.512	1.123
1/1-12/31/05	0.599	0.599	0.599	0.515	1.084
1/1-12/31/06	0.574	0.579	0.583	0.509	1.073
1/1-12/31/07	0.530	0.553	0.560	0.481	1.079
1/1-12/31/08	0.565	0.589	0.611	0.583	1.028
1/1-12/31/09	0.442	0.518	0.568	0.639	0.929
1/1-12/31/10	0.438	0.528	0.633	0.572	1.061
1/1-12/31/11	0.290	0.383	0.539	0.594	0.945
1/1-12/31/12	0.245	0.425	0.676	0.582	1.094
1/1-12/31/13	0.115	0.312	0.620	0.452	1.168
Total			0.596	0.543	1.053

- * From the audited financial statements.
- # Split administrative expenses 19% workers compensation and 81% multi-line at UCIP's request.
 A Split workers compensation and multi-line based on estimates provided by UCIP.
 Estimated by UCIP.





January 31, 2014

Mr. Johnnie Miller, ARM-P, CIC, CRM Chief Executive Officer Utah Counties Indemnity Pool 10980 S. Jordan Gateway South Jordan, UT 84095-3945

RE: ACTUARIAL SERVICES ENGAGEMENT LETTER

Dear Mr. Miller:

This letter outlines the scope and terms of our engagement with the Utah Counties Indemnity Pool (UCIP).

SCOPE

BYNAC will prepare an actuarial report that estimates the required reserves as of 12/31. The reports will estimate the ultimate incurred losses of the prior policy periods by line of coverage for financial statement reporting. In addition, we will prepare an actuarial report prior to renewal that determines the indicated premium for the upcoming policy period.

We will prepare a report annually that shows individual member loss ratios. This report will be prepared at a time to be determined by UCIP.

FEES

Our fees are \$5,000 for the reserve analysis, \$5,000 for the premium indication report, \$1,000 for the member equity allocation, and \$1,500 for loss ratio analysis. The total estimated fees are \$12,500 annually. These fees include an annual trip to present our findings.

OUTCOME AND CONTINGENCY

Any opinions expressed are based on our actuarial experience and judgment and are limited by our knowledge of the facts at the time. We cannot and do not make promises or guarantees about the outcome of the analysis. In addition, your obligation to pay for services and expenses is not contingent upon the outcome of any matter.

Mr. Johnnie R. Miller, ARM-P, CIC, CRM January 31, 2014 Page Two

Thank you for the opportunity to provide services. If these arrangements are acceptable, please sign a copy of this letter in the space provided below and return it to me. If you have any questions, please let me know.

questions, please let me know.	
Sincerely,	,
Losa Dennison	
Lisa Dennison, FCAS, FCA, MAAA	
President and Consulting Actuary	
Accepted: Utah County Indemnity Pool	
	×
Printed:	Date:
Cianadi	





INVESTMENT POLICY ADDENDUM

UTAH COUNTIES INDEMNITY POOL

UTAH COUNTIES **INSURANCE** INDEMNITY POOL INVESTMENT POLICY ADDENDUM

I. POLICY

It is the policy of the Utah Counties <u>Insurance Indemnity</u> Pool ("UCIP") to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of UCIP and conforming to all state and local statutes governing the investment of public funds.

II. SCOPE

This investment policy is an addendum to the Bylaws of the Utah Counties Insurance Indemnity Pool, created and maintained by the Audit Committee of UCIP, and applies to all financial assets of UCIP.

These funds are accounted for in the Annual Financial Report of UCIP.

III. PRUDENCE

Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

- A. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- B. Prohibited practices shall include, but not be exclusive to churning, unnecessary transactions and rebating.

IV. OBJECTIVE

- A. Safety: Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification will be utilized so potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- B. Liquidity: The investment portfolio will remain sufficiently liquid to enable UCIP to meet all operating requirements which might reasonably be anticipated and documented in the annual Board approved Operating Budget.

C. **Return on Investments**: The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

V. DELEGATION OF AUTHORITY

- A. Authority to manage the investment program is derived from the Bylaws of UCIP. The Audit Committee is charged with making recommendations to the Board on the financial affairs of UCIP and may designate appropriate staff to develop written procedures for the operation of the investment program consistent with this investment policy. Procedures will include reference to:
 - 1. Safekeeping;
 - 2. PSA Repurchase Agreements;
 - 3. Wire Transfer Agreements;
 - 4. Banking Service Contracts, including the establishment of a Custodial Bank Agreement;
 - 5. Collateral/Depository Agreements; and
 - 6. Investment Advisor Selection and Evaluation.
- B. It is the responsibility of the Chair of the Audit Committee, or their designee, to report to the Board all decisions and action taken by the Audit Committee.
- C. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Audit Committee. The Manager of Administration Chief Financial Officer, under the supervision of the Chief Executive Officer, shall be responsible for daily financial transactions.

More specifically, no funds shall be transferred out of or between the separate accounts at any time, for any reason, without the signature, to approve the transfers, of the UCIP Manager of Administration Chief Financial Officer and the UCIP Chief Executive Officer or one of the following, the UCIP President, the UCIP Vice President or the UCIP Secretary-Treasurer of the Board of Trustees. The authorization of the Board of Trustees officer may be via electronic mail or fax transmittal.

All transfers will be submitted for ratification to the Board of Trustees at the next Board meeting.

D. The Audit Committee may choose to select an Investment Advisor to manage the investment assets. Those assets would include funds not required by cash flow projections to meet the immediate needs of UCIP. In the event that the Audit Committee decides to select an Investment Advisor, such selection may be made through a formal Request for Qualifications/Request for Proposal process, or, by recommendation of the Audit Committee and Chief Executive Officer and approval of the Board of Trustees, the Chief Executive Officer may negotiate directly with an Investment Advisor and make recommendation

to the Audit Committee and Board of Trustees to enter into an agreement with an Investment Advisor. Investment Advisors must be certified by the Utah Money Management Council.

The Investment Advisor would be charged with the following responsibilities:

- 1. Adopting an investment philosophy which is compatible with the polices of UCIP as set forth in Section I above;
- 2. Selecting appropriate investment instruments to implement the designated philosophy;
- 3. Selecting Broker/dealers for the purpose of executing investment trades, who meet the requirements set forth in Section VII below;
- 4. Executing trades at market prices most advantageous to UCIP;
- 5. Reporting on a regular basis to the Audit Committee on the performance of assets under management as set forth in Section XIV below;
- 6. Reporting to the Audit Committee in a timely manner, any material changes in the financial or staffing conditions of the management firm.

VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Audit Committee, any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the funds, particularly with regard to the time of purchases and sales.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS:

The Investment Advisor shall maintain a list of financial institutions desiring and authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Utah. Broker/dealers must be certified by the Utah Money Management Council. Funds shall be deposited only in a qualified public depository as certified by the Utah Money Management Council.

VIII. AUTHORIZED AND SUITABLE INVESTMENTS:

UCIP has resolved that its investments shall be limited to those securities authorized by Section 51-7-11, Utah Code Annotated, 1953 as amended, as that Section pertains to the investment of public funds.

IX. COLLATERALIZATION

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements and will also be required on checking accounts if there is a balance of over \$100,000 therein. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two (102) percent of market value of principal and accrued interest. State law rules for collateralization will be adhered to. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

X. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by UCIP shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third - party custodian designated by the Audit Committee and evidenced by safekeeping receipts.

XI. DIVERSIFICATION

UCIP will diversify its investments by security type and institution to the degree that such diversification is permitted. Investments in commercial paper, corporate bonds and asset-backed obligations shall not exceed 20 percent of the total assets of UCIP's investments.

XII. MAXIMUM MATURITIES

To the extent possible, UCIP will attempt to match its investments with anticipated cash flow requirements as determined by the Audit Committee. For funds not specifically matched to cash flow, UCIP will invest in securities not exceeding the terms to maturity as set out in Section 51-7-11 Utah Code Annotated, 1953 as amended. For funds not specifically matched to cash flow, UCIP will invest in securities not exceeding the terms to maturity as set out in Section 51-7-11, Utah Code Annotated, 1953 as amended.

XIII. PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of UCIP.

Market Yield (Benchmark): UCIP's investment strategy is restricted by Section 51-7-11, Utah Code Annotated, 1953 as amended. Given this limitation to investment strategy, the basis used by the Audit Committee to determine whether market yields are being achieved shall be the Utah Public Treasurers Investment Fund or other appropriate index as designated annually by the Audit Committee.

XIV. REPORTING

The UCIP Manager of Administration Chief Financial Officer is charged with the responsibility of providing a market report on investment activity and returns on a regular basis to the Audit Committee and to the Board of Trustees on at least an annual basis. This responsibility may be delegated to an Investment Advisor if one is utilized by UCIP. Reports to the Audit Committee will include, but not be limited to:

- 1. Performance;
- 2. Volatility (as measured by effective duration);
- 3. Interest earnings;
- 4. Number of trades;
- 5. Average maturity;
- 6. Market sector breakdown.

XV. INVESTMENT POLICY ADOPTION

This investment policy shall be adopted by resolution of the Board of Trustees. The policy shall be reviewed by the Audit Committee annually and any modifications made thereto must be submitted for adoption by the Board of Trustees.



EMPLOYEE MANUAL

UTAH COUNTIES INDEMNITY POOL

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RECEIPT OF EMPLOYEE MANUAL

This Manual is provided to the Utah Counties Indemnity Pool (UCIP) employees as a reference guide regarding UCIP's employment related policies and procedures. These policies and procedures as well as the benefits provided by UCIP to its employees may be amended from time to time by action of the UCIP Board of Trustees. The Board of Trustees reserves the right to amend, alter, or revoke any policy, practice, benefit, or employment condition, at any time, or for any reason, with or without notice.

No contract exists between UCIP and its employees or any third parties with respect to salary ranges, movement within salary ranges, employee benefits, work location, or any other aspects of employment. These aspects of employment with UCIP may change as a result of salary surveys, job analysis, availability of funds, job performance, changes in workload, or changes in UCIP policies and procedures. Employment with UCIP is "at will" and may be terminated at any time.

The undersigned has received this manual and has had an opportunity to review its contents, and ask questions related thereto:

Employee Signature		Date
		2

SECTION I - GENERAL PROVISIONS

Utah Counties Indemnity Pool, "UCIP" is a political subdivision of the State of Utah, governed by the UCIP Board of Trustees, operating under the laws of the State of Utah.

A. Applicability of Policies and Procedures

These policies and procedures apply to all UCIP employees.

B. Authority for Policies

The UCIP Board of Trustees establishes the policies and procedures that are outlined in this manual. The Board may alter, amend, or supplement these policies and procedures at any time.

C. Savings Clause

If any provision of these policies and procedures, or the application thereof, is found to be in conflict with any State or Federal law or regulation, these policies and procedures shall be considered amended to the extent necessary to comply with such law or regulation.

D. Personal Information

UCIP has signed the Electronic Trading Partner Agreement with the Utah Retirement Systems. As a condition of this Agreement, UCIP has adopted the following policy statement: UCIP will prevent the improper use or disclosure of personal information regarding its employees' status, contributions and/or benefits, or any other personal information arising from enrollment or participation in the Utah Retirement Systems.

E. Non-Discrimination

UCIP is an equal opportunity employer. UCIP complies with Federal and State non-discrimination laws with respect to employment on the basis of race, color, national origin, sex, age, disability, or religion. UCIP complies with Title VII, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act and other applicable laws relating to non-discrimination in employment. Employment at UCIP is based upon the applicant or employee's qualifications, suitability for the job, job references, and ability to perform the essential functions of the job.

F. Nepotism

UCIP complies with Sections 52-3-1 to 52-3-4, of the Utah Code Ann. 1953, as amended regarding the employment of relatives.

If because of marriage, promotion, reorganization or other reason, it appears that a conflict with Utah law or this policy appears to exist, the Chief Executive Officer, and the Board of Trustees shall review the matter.

If it is determined that a conflict exists, resignation of one of the family members may be required.

G. Employment Classifications

UCIP employment classifications are generally designated as either full-time or part-time positions. Each job description shall state whether the position is a full, part-time, seasonal or temporary position and if it is an exempt or non-exempt position for purposes of the Fair Labor Standards Act (FLSA). Employees holding full-time positions receive the benefits and protections described in this manual.

An employee's classification determines the level of benefits for which the employee is eligible.

- 1. Full Time Positions. Employees, who generally work thirty-two (3230) or more hours per week in a permanent position, are full-time employees.
- 2. Part Time Positions: Employees who work less than thirty-two (3230) hours per week on a continuous or recurring basis are part time employees.

H. FLSA

UCIP abides by the provisions of the Fair Labor Standards Act.

I. Payroll Procedures

Paydays are twice a month, on the fifteenth and the last day of the month. If a payday falls on a Saturday, Sunday, or legal holiday, UCIP will pay wages earned during the pay period on the day preceding the Saturday, Sunday, or legal holiday.

J. Reimbursement of UCIP Business Expenses

UCIP will pay or reimburse employees for expenses associated with authorized UCIP business. The amounts paid or reimbursed are determined from time to time by the UCIP Board of Trustees. Payment or reimbursement for expenses under this policy must be submitted to the Manager of Administration Chief Financial Officer on a form approved by UCIP and must include all receipts for items to be reimbursed.

1. **Mileage**. UCIP will reimburse for mileage at the approved federal rate when an employee uses a personal vehicle for authorized UCIP business which does not include commuting to and from the UCIP office.

Carpooling to and from conferences and meetings using vehicles under the monthly auto allowance plan should be used whenever practical. Employees traveling to and from conferences and meetings using their personal vehicle when car pooling is available will be reimbursed only when there is a valid business purpose for using their personal vehicle as determined by the Chief Executive Officer.

- 2. **Monthly Auto Allowance**. The UCIP Board of Trustees has approved a monthly auto allowance to be paid to specific employees that regularly use their personal auto for travel on authorized UCIP business. Employees who receive a monthly auto allowance will only receive reimbursement for mileage when the round trip miles driven for a single business purpose exceed the number of miles identified as the Mileage Reimbursement Threshold in the Schedule of UCIP Discretionary Benefits. Reimbursement of mileage exceeding the Mileage Reimbursement Threshold will be paid at the approved federal rate.
- 3. **Per Diem**. UCIP will pay a per diem to employees away from home on authorized UCIP business pursuant to the full daily standard M&IE rates published by the Office of Government Policy, General Services Administration. Travel requirements for Per Diem are a trip of at least 100 miles and/or five hours duration. Per Diem is not payable to employees on business in the employee's home county or Salt Lake County. Per Diem is provided to cover meals and incidental expenses incurred when travelling.
- 4. **Other Travel Expenses**. UCIP will pay or reimburse employees for other expenses, such as lodging or airfare, on approved business trips.
- 5. **Cell Phones**. The UCIP Board of Trustees has approved a monthly cell phone allowance to be paid to specific employees that regularly use their personal cell phone for UCIP business. Reimbursement amounts will be set by the Board of Trustees dependent on the amount of business use, the need to use cellular service for email and internet access, and the market rate for such services.
- 6. UCIP Business Credit Cards. The UCIP Board of Trustees has approved the use of UCIP Business Credit Cards by certain employees who regularly incur business expenses as part of their duties. UCIP Business Credit Cards are for use of authorized business travel expenses and other authorized business expenses. Employees using UCIP Business Credit Cards must submit documentation of the charges in the form of written receipts to the Manager of Administration Chief Financial Officer on a monthly basis. Each receipt should include documentation of the business purpose of the expense. All UCIP Business Credit Card transactions will be reviewed and approved by the UCIP Board of Trustees. An employee will reimburse UCIP for any expenses not approved by the UCIP Board of Trustees as legitimate business expenses.

Such expenses that are not reimbursed to UCIP within 30 days of notice to the employee of the Board's action may be deducted from the employees pay at the discretion of the Chief Executive Officer.

K. Outside Employment

No Pool employees may engage in any outside employment or activity that, in the opinion of the Chief Executive Officer, might impair the performance of their duties or is detrimental to UCIP member service. Employees must notify the Chief Executive Officer of outside employment prior to engaging in such employment, or at any time that the terms of outside employment changes.

L. Work Hours

All full-time employees are expected to work their assigned schedule.

- 1. Hours are <u>weekdays</u> from 8:00 a.m. until 4: 30 p.m. After Memorial Day and prior to Labor Day of each year, the Chief Executive officer may implement at their discretion a "summer flex hours" program. Flex hour programs shall not exceed a program of employees working 10 hours a day for four days a week, and in no case shall a flex hour program create the need for payment of overtime to any employee. The Chief Executive Officer may make changes to the flex hour program at any time at their sole discretion.
- 2. Each employee is allowed a thirty minute lunch period. The employee's actual amount of lunch time will be determined by the Chief Executive Officer. Employees are expected to coordinate with other employees and their supervisors to assure the office is appropriately staffed for receiving guests and phone calls throughout the work day. Employees are normally expected to be present during all other work hours unless special arrangements are made with the Chief Executive Officer from time to time for cause.
- 3. Generally, employees are not allowed to skip their lunch break to leave work early.

M. Absence Without Leave

No employee may be absent from duty without permission. All employees should notify their supervisor, the Manager of Administration Chief Financial Officer, or the Chief Executive Officer prior to an absence. In emergency situations where prior notification is not possible, the employee should provide notification as soon as possible.

If a pattern (two or more) of unexplained or unexcused absences develops, employees may be subject to a disciplinary action, including termination.

N. Terminating Employment

All employment with UCIP is "at will" employment. An employee's employment with UCIP may terminate in different ways:

- 1. **Resignation**. Employees may resign at any time. However, as a courtesy, UCIP requests that employees give a minimum two weeks written notice so that UCIP has time to prepare final paperwork and arrange to assure minimal disruption to member service. Any earned and or accrued vacation and sick leave will be paid at the time of resignation in accordance with policies adopted by the Board of Trustees at the time of termination.
- 2. **De-facto Resignation**. Employees who are absent from work for three consecutive days and are capable of providing notice to their supervisor, but fail to do so, are considered to have voluntarily resigned.
- 3. **Involuntary Termination**. As an "at will" employer, UCIP may terminate an employee's employment at any time.

O. Termination Pay

Employees who leave UCIP service for any reason will be paid the wages due them at the next regularly scheduled payday. UCIP will pay terminating employees for earned and accrued vacation time. UCIP may also pay earned sick leave based on policy in effect at the time of termination. Payment of earned and accrued vacation and sick leave due the employee based on policies at the time of termination will also be paid at the next regularly scheduled payday.

SECTION II - COMPENSATION

All compensation provided to UCIP employees is determined or approved by the UCIP Board of Trustees. The UCIP Board may alter, amend, or supplement these policies and procedures at any time to the extent allowed by law.

A. Wages

It is the intent of UCIP to provide its employees with wages competitive with other similar employers in the Salt Lake County area. Employee wages are determined by the UCIP Board of Trustees and may be set based on analysis of wages for similar employers in the Salt Lake County area and in consideration of other benefits provided to employees to recognize the value of each employee's total compensation package.

B. Monthly Auto/Cell Phone Allowance

The UCIP Board of Trustees has approved monthly auto and cell phone allowances at rates identified in the Schedule of UCIP Discretionary Benefits to be paid to specific employees that regularly use their personal vehicle for travel or personal cell phone for authorized UCIP business. The Monthly Auto/Cell Phone Allowance is considered income for purposes of taxable income, and will be reported by UCIP as taxable income paid to the employee.

C. Cost of Living Adjustment

Adjustments to wages related to cost of living are recommended by the Chief Executive Officer, and approved at the sole discretion of the UCIP Board of Trustees.

- 1. Employee salaries may be adjusted annually to protect them from inflation of the local economy. COLA will be paid only if funds are available in the budget, and at the sole discretion of the Board of Trustees.
- 2. The UCIP Board of Trustees may consider in part the percentage increase (if any) of the U.S. Department of Labor, Consumer Price Index for the Salt Lake County Area as reported in January of each year, when considering any COLA type salary adjustment.

D. Merit Salary Increases

Merit adjustments to wages are recommended by the Chief Executive Officer and approved at the sole discretion of the UCIP Board of Trustees.

1. Merit salary increases for employees shall be considered annually on the basis of individual performance and performance of UCIP as an organization.

- 2. Merit salary increases shall only be granted upon recommendation of the Chief Executive Officer and approval of the Board of Trustees.
- 3. The effective date of any merit increase shall be the first pay period of the calendar year, unless otherwise determined by the Board of Trustees.

E. Bonuses

Individual bonuses may be recommended by the Chief Executive Officer. All bonuses must be approved by, and at the sole discretion of, the UCIP Board of Trustees.

F. Discretionary Award

Full-time employees may receive an annual award at the discretion of the Chief Executive Officer to be included with the first payroll of December. Limitations related to such award shall be determined by the UCIP Board of Trustees.

SECTION III - DISCRETIONARY BENEFITS

UCIP provides a variety of benefits to eligible employees. Among the benefits currently provided are a retirement program, a long-term disability insurance program, medical and life insurance plans, and a deferred income investment program.

UCIP may add, alter or eliminate benefits at its discretion.

A. Retirement

In order to help its employees plan and prepare for retirement, UCIP participates in the Local Government Public Employees' Noncontributory Retirement System administered by the Utah Retirement Systems (URS), as set forth in Utah Code Title 49, Chapter 13. Pension and/or 401(k) Plan(s), and the Nationwide Retirement Solutions (NRS) 457 Plan. UCIP contributions to the URS Pension Plan Local Government Public Employees' Noncontributory Retirement System are made in addition to, and not deducted from, eligible employee's regular pay. At the discretion of the UCIP Board of Trustees, UCIP may also provide matching contributions to the URS 401(k) Plan and/or the Nationwide 457 Plan. Employees may have additional amounts deducted from their regular pay to contribute to these plans, based on the policies of each plan.

B. Group and Medical Insurance

UCIP currently provides the following life and health benefits to full-time employees and their dependents:

- 1. Major medical and surgical
- 2. Dental Care
- 3. Vision Care
- 4. Group Term Life
- 5. Accidental Death and Dismemberment
- 5. Workers' Compensation (employees only)
- 6. Long term disability (employees only)

UCIP pays a percentage of the cost for insurance coverage of the employee and eligible dependents determined by the Board of Trustees and shown in the Schedule of UCIP Discretionary Benefits. The cost of optional coverage and amounts above the basic package are the responsibility of the employee.

C. Health Reimbursement Program

The UCIP Board of Trustees has adopted a health reimbursement arrangement the terms of which are included in Attachment 1 the Schedule of UCIP Discretionary Benefits. Employees who terminate employment with UCIP for any reason are not compensated for any unused funds without providing receipts for qualifying expenses incurred prior to termination.

D. Holidays

UCIP provides the following paid holidays to allow employees to enjoy a break in the work routine and to commemorate special Federal and State historical events and activities.

The first day of January - New Years Day

The third Monday of January - Martin Luther King Day

The third Monday of February – Presidents' Day

The last Monday of May - Memorial Day

The 4th of July – Independence Day

The 24th of July – Pioneer Day

The first Monday of September – Labor Day

The second Monday of October – Columbus Day

The 11th of November – Veteran's Day

The fourth Thursday and Friday of November - Thanksgiving Day

The 25th of December – Christmas Day

When a paid holiday falls on a Saturday, the day off will be observed on the Friday preceding the Holiday. When a paid holiday falls on Sunday, the day off will be on the Monday following.

Should a holiday occur while an employee is on vacation, the employee will not be charged with vacation on the day of the holiday.

To be eligible for holiday pay an employee must work the regular scheduled day prior to the holiday, or the first regular scheduled day after the holiday, or be on an authorized paid leave using vacation pay, sick leave pay, or accrued compensatory time etc.

E. Vacation

UCIP provides paid vacation to employees according to the Vacation section of the Schedule of UCIP Discretionary Benefits. Vacation time is provided to allow employees a break from their work duties to rest and reinvigorate them. UCIP may require employees in fraud sensitive positions to take a minimum number of days of vacation per year. It is UCIP's intent to incent employees to use vacation time in the year it is earned. A policy to carry over vacation time is provided to allow employees to plan for extended vacations, and is not meant as a means for employees to "bank" significant vacation time. It is also UCIP's intent to incent employees to use vacation time in blocks of several days, rather than a day or two at a time.

Here are some general vacation policies:

- 1. Vacation time may be used in increments of no less than one half (½) hour.
- 2. Employees may generally use their vacation anytime; however, to assure quality of member service, all vacation time must be approved in advance by the employee's supervisor. To allow adequate time for the supervisor to consider requests for vacation, employees are encouraged to request vacation time as far in advance as possible but generally not less than one week in advance of the beginning of the vacation period. If an employee feels their supervisor's denial of vacation time is unreasonable, they may ask for a review of the request for vacation by the Chief Executive Officer.
- 3. Legal holidays occurring while an employee is on vacation are not deducted from an employee's accrued vacation time.
- 4. Vacation hours may be carried forward to succeeding years to the extent allowed by the policy of the UCIP Board of Trustees, as outlined in the Schedule of UCIP Discretionary Benefits.
- 5. Vacation time will not accrue while an employee is on an unpaid leave of absence, or when temporary totally disability due to a work related injury exceeds 45 days.

F. Sick Leave

UCIP provides compensated sick leave to full-time employees who cannot perform their normal duties as a result of non-work related illness, injury or physicians visits related to non-work related illness or injury. Employees are encouraged to build up sick leave so that days are available for serious illness. Employees who regularly use up sick leave will be counseled regarding the difficulties such a practice may create. Sick leave is a privilege and employees should use it responsibly. Intentional misuse of sick leave may be grounds for discipline, up to and including termination.

Eligible employees may earn sick leave at the rate identified in the Schedule of UCIP Discretionary Benefits. Employees may take sick leave for personal illness or to care for sick family members (spouse, child, or parent).

Here are some general sick leave policies:

- 1. Employees taking sick leave should provide notice at least one hour prior to beginning of shift in order to minimize disruption to the workplace.
- 2. Use of vacation time for absence from work due to an employee's own illness or injury will only be allowed when the employee has exhausted all earned and accrued sick leave. After exhausting all accrued sick and vacation time, the employee may be considered to be on an unpaid leave of absence at the discretion of the Chief Executive Officer.
- 3. Sick leave may be taken in increments no less than one half (½) hour.
- 4. Legal holidays occurring while a full-time employee is ill will not be deducted from an employee's earned or accrued sick leave.
- 5. Employees do not earn sick leave while on an unpaid absence, when a period of an employee's own illness or injury exceeds 45 days, or when temporary total disability due to a work related injury exceeds 45 days.
- 6. After three (3) consecutive days of sick leave, at UCIP's discretion, an employee may be required to provide a doctor's certificate of disability with respect to any sick leave taken. If such certificate is not provided, the employee's absence may be considered an unpaid absence.

G. Bereavement Leave

UCIP grants bereavement leave to employees who suffer the death of a member of the immediate family, or a close relative. It is the intent of UCIP to be considerate of an employee's special needs and to be supportive in the death of a loved one.

Accordingly, UCIP may provide the employee with paid time off from work to attend the funeral and to fulfill other responsibilities before the funeral without charge to the employee's earned or accrued sick or vacation time.

If an employee suffers the death of a close relative, and requests time off from work during the period of bereavement, the Chief Executive Officer may approve the request based on the following:

1. The necessity and appropriateness of the time off. The employee should be attending the funeral and/or have certain responsibilities to fulfill before the funeral.

2. The amount of time off:

- a. If the deceased was a member of the employee's immediate family (spouse, child or child of a spouse, parent or parent of a spouse, sibling or sibling of a spouse, brother or sister-in-law, grandparents, and grandchild or grandchild of a spouse), the employee may have paid time off up to five (5) days at any time between the death and the day of the funeral.
- b. For other close relatives (aunt, uncle, niece, or nephew of either the employee or spouse) the employee may have paid time off for the day of the funeral.
- 3. The pay for bereavement leave will be based on the employee's current rate of pay and the number of hours in the normal workday. Employees may request additional days off and use accrued vacation or leave without pay, as approved by the Chief Executive Officer.
- 4. In the event of the death of a member of the immediate family while an employee is on vacation, the vacation will be extended by the amount of time normally authorized as outlined above.

H. Family and Medical Leave

UCIP complies with all applicable requirements of the Family and Medical Leave Act of 1993 (FMLA).

- 1. An employee's use of FMLA will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave. However, the employee must first use any accrued vacation, compensatory time, and sick leave during the FMLA leave period. In calculating the twelve (12) week FMLA limit, all paid leave will be included.
- 2. UCIP has adopted the calendar year as the basis for determining FMLA eligibility. However UCIP retains the right to change the eligibility period when it is determined to be in the best interest of UCIP to do so in terms of administration.
- 3. Upon returning from FMLA leave, most employees will be reinstated to the same, or equivalent, position with equivalent pay, benefits, and other employment terms as previously provided. There will be no loss of benefits that accrue prior to the start of the employee's leave.

I. Jury Duty

Every employee will be granted an unpaid leave of absence when subpoenaed or ordered to appear as a juror or witness by the Federal Government, State of Utah,

or political subdivision thereof. If the employee turns over the juror or witness fee to UCIP along with a copy of the subpoena, UCIP will pay the employee's regular compensation during the period of jury service. Travel time to or from juror or witness duty is also considered an approved absence, but UCIP will not pay any overtime regardless of the amount of jury service time and jury travel time. UCIP will not pay for jury duty related mileage regardless of whether the subpoena requires travel during work hours.

J. Education Assistance

UCIP employees are encouraged to seek further education to perform their jobs more effectively and to enhance their professional development. UCIP may subsidize the education expenses of employees under specified circumstances. This policy is subject to availability of funds, and applies only to full-time employees.

- 1. **Program Eligibility**. The education program must provide a benefit to UCIP by directly relating to the work the employee currently performs or will be required to perform. Eligibility of the education program will be determined by, and must be approved by, the Chief Executive Officer.
- 2. **Reimbursement**. Education assistance shall not exceed \$500 in any one year. Tuition costs shall not be carried into the next budget year for reimbursement.

3. Procedures.

- a. Employees are encouraged to attend classes and study during non-working hours. In the alternative, the Chief Executive Officer may flex an employee's work schedule to allow the employee to attend classes and study for exams.
- b. To receive education assistance, an employee must receive approval from the Chief Executive Officer prior to commencement of the class. Employees are encouraged to discuss education assistance well in advance of the commencement of classes, to allow the expense to be appropriately budgeted.
- c. To be reimbursed, the employee must complete the approved class with a final grade of "C" or better. If the course is only offered on a pass/fail basis, the employee must receive a passing grade.
- d. The employee must submit proof of a satisfactory grade and proof of tuition payment to the Chief Executive Officer prior to reimbursement.
- 4. **Required Classes**. If UCIP requires an employee to attend an education program or class, UCIP shall pay the full cost of the program or class.

SECTION IV - STANDARDS OF CONDUCT

UCIP expects its employees to conduct themselves diligently and honorably in their assignments on behalf of the public. Employees should:

- 1. Work diligently on their assigned duties during their assigned work schedules.
- 2. Make prudent use of Pool funds, equipment, buildings, supplies, and time.
- 3. Work courteously with coworkers and the public.
- 4. Observe work place rules of conduct and safety.
- 5. Meet the standards of their individual job descriptions.
- 6. Report and correct circumstances that prevent employees from performing their jobs effectively or completing their assigned tasks.

A. Employee Discipline

Employees who violate Pool policy are subject to discipline. Depending upon the circumstances, UCIP may transfer, suspend, reduce pay, demote, terminate or take whatever other action deemed appropriate by the Chief Executive Officer to discipline employees who violate Pool policy. Grounds for discipline may include, but are not limited to:

- 1. Inefficiency;
- 2. Incompetence;
- 3. Failure to maintain skills;
- 4. Inadequate performance levels;
- 5. Neglect of duty;
- 6. Misconduct;
- 7. Inability to work in harmony with coworkers;
- 8. Rudeness to the public;
- 9. Disobedience of a reasonable order of a supervisor;
- 10. Dishonesty;
- 11. Insubordination;

- 12. Misappropriation or damage to Pool funds or property;
- 13. Misuse of Pool funds or property;
- 14. Tardiness;
- 15. Unapproved absences;
- 16. Any act inimical to public service; and/or
- 17. Felony convictions and other violations of state and federal law.

This list is not exhaustive and is set forth as a guideline. This list should **not** be construed as preventing or limiting UCIP from taking disciplinary action, including termination, in circumstances where UCIP deems such action to be appropriate, regardless of whether UCIP has specifically identified a written rule or policy. Similarly, employees may be disciplined for violations of Pool policy found in other sections of this manual, violations of State or Federal law, or violations of relevant policies, rules or laws promulgated elsewhere.

Employees may appeal disciplinary action through UCIP's Dispute Resolution process.

B. Drug Free Workplace

UCIP is committed to providing a safe work place and ensuring the safety of the general public and expects your cooperation in this effort.

The purpose of this policy is to implement the Federal Drug Free Workplace Act of 1988 by providing for a safe and productive work environment that is free from impaired performance caused by employee use or abuse of controlled substances, medication, and/or alcohol. This policy establishes procedures for controlling drug or alcohol use or abuse in the workplace and applies to all employees. Impaired means a Significant Measurable Quantity (SMQ) or impermissible quantity of a drug, including alcohol, that indicates a positive drug and/or alcohol test in violation of UCIP's written policy. The SMQ for drugs is established by the Federal Department of Health and Human Services and is subject to change. The SMQ for alcohol is based on the Federal Highway Administration (FHWA) and is subject to change. Impermissible quantities are listed below:

Drug	Screening (ng/ml)	Confirmation (ng/ml)
Marijuana	50	15
Cocaine	150	100
Meth/Amphetamine ¹	500	250

Opiates	2000	2000
Phencyclidine (PCP)	25	25
Barbiturates	300	300
Benzodiazepines	300	300
Propoxyphene	300	300
Methadone	300	300
Alcohol	0.04	0.04

¹Amphetamine must be present, in a concentration greater than 200 ng/ml, to report a specimen positive for methamphetamine. If the amphetamine concentration is less than 200 ng/ml, a 1-methamphetamine analysis must be performed. When the 1-methamphetamine percentage is greater than 80%, the specimen is reported as negative.

1. Responsibility of Employees

- a. No employee shall unlawfully manufacture, dispense, possess, use, or distribute any controlled substance, medication, or alcohol.
- b. Any employee convicted under a federal or state statute regulating controlled substances shall notify his or her supervisor within five (5) days after the conviction.
- c. No employee shall consume alcohol immediately before work, during work hours while at work, during breaks, or during lunch. No employee shall be impaired by alcohol, illegal drugs, or medication during work hours. No employee shall represent UCIP in an official capacity while impaired by alcohol, illegal drugs, or medication.
- d. If an employee is using medication that may impair performance of duties, the employee shall report that fact to his or her supervisor.
 - (i) No employee using medication that may impair performance shall operate a motor vehicle on behalf of UCIP.

2. Reasonable Suspicion Testing

a. Any employee who has reason to believe that the performance of another employee is impaired by alcohol, illegal drugs, or medication shall notify the impaired employee's supervisor. At the

request of the employee's supervisor, the employee suspected of being under the influence of alcohol and/or drugs shall submit to a chemical test of their bodily fluids. Refusal to submit to a test shall be deemed a violation of this policy subject to disciplinary action, up to and including termination.

The cost of the test shall be paid by UCIP.

3. Corrective Action

- a. The Chief Executive Officer or the supervisor of an employee, whose performance is impaired by alcohol, illegal drugs, or medication, shall take corrective action, which may include discipline.
- b. Upon taking corrective action, the Chief Executive Officer shall prepare a written report stating the reasons for the action.
- c. An employee impaired by illegal drugs or alcohol during work hours shall be relieved from duty and shall be charged earned or accrued vacation leave for the absence.
- d. An employee impaired by medication during work hours may be relieved from duty and shall be charged earned or accrued sick leave for the absence.
- e. The Chief Executive Officer may change an employee's assignment while the employee is using medication, if the employee is impaired by the medication.
- f. If the Chief Executive Officer has reason to believe that an employee may be abusing an illegal drug, medication, or alcohol, the Chief Executive Officer may refer the employee to an evaluation program for the purpose of obtaining a diagnosis.
 - (i) The cost of the evaluation and any necessary testing shall be paid by UCIP.

4. Treatment Program

a. If an employee admits abusing an illegal drug, medication, or alcohol, or if it is determined by a medical or other recognized professional diagnosis that an employee is abusing an illegal drug, medication, or alcohol, the Chief Executive Officer may refer the employee to a treatment program based on the severity of the condition.

- (i) The employee shall participate in the treatment program at the employee's expense.
- (ii) The Chief Executive Officer may change an employee's assignment while the employee is enrolled in a treatment program.
- b. An employee participating in a treatment program shall use accumulated leave consistent with the sick leave policy for any absence.
- c. The employee shall provide documentation of successful completion of the treatment program.
 - (i) After the employee's successful completion of the treatment, the Chief Executive Officer shall reinstate the employee to the employee's former or equivalent position.
- d. The employee shall sign a release to allow communication between the Chief Executive Officer and the treatment provider.

 All such communication shall be maintained in a confidential file separate from the employee's personnel file.
- e. The Chief Executive Officer may dismiss an employee who refuses to enroll in a treatment program, fails to successfully complete the program, or fails to provide documentation of completion.
- f. The Chief Executive Officer may reassign an employee returning from treatment.

C. Sexual Harassment Prohibited

UCIP does not tolerate sexual harassment. Sexual Harassment means "Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment" (Equal Employment Opportunity Commission Guidelines, Section 1064.11).

All employees are responsible for ensuring that the workplace is free from all forms of sexual harassment.

- 1. Sexual harassment encompasses a wide range of behaviors, including sexual attention, sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature.
- 2. Examples of sexual harassment may include, but are not limited to the following:
 - a. Implying or threatening adverse employment actions if sexual favors are not granted.
 - b. Promising preferential treatment in return for sexual favors.
 - c. Subtle pressure for sexual activity.
 - d. Inappropriate touching of any individual i.e. petting, pinching, hugging, or repeated brushing against another employee's body.
 - e. Offensive remarks, including unwelcome comments about appearance, obscene jokes, or other inappropriate use of sexually explicit or offensive language
 - f. The display of sexually suggestive objects or pictures.
 - g. Disparaging remarks about a person's gender.
 - h. Spreading stories about a person's sexual conduct.
 - i. Questions about a person's sexual activity.
 - j. Physical aggression such as pinching or patting.
 - k. Verbal sexual abuse disguised as humor.
 - 1. Obscene gestures.
 - m. Horseplay or bantering of a sexual or off-color nature.
 - n. Other actions of a sexual nature that affect the terms and conditions of a person's employment.
 - o. Conduct or comments consistently targeted at only one gender, even if the content is not sexual.
- 3. UCIP considers prompt reporting of harassment to be a condition of your employment. If you believe that you have experienced or witnessed sexual harassment, you must immediately report your concern to the Chief Executive Officer. If you feel uncomfortable reporting to the Chief Executive Officer, contact a member of the UCIP Board of Trustees.

- 4. UCIP will not retaliate against any person who reports sexual harassment unless the report was false and was made maliciously.
- 5. UCIP will investigate allegations of sexual harassment and will take appropriate action against any person found to have violated this policy. Individuals who engage in sexual harassment are subject to discipline, which may include, but is not limited to reprimand, reassignment, suspension, demotion, termination, or other sanctions.

D. Harassment Based on Other Protected Categories Prohibited

UCIP believes that a workplace free from hostile, intimidating, or offensive behavior is the most productive workplace. Employees should use courtesy and professionalism when interacting with coworkers. Employees who harass others based upon their color, national origin, age, religion or disability are subject to discipline, up to and including termination. All employees should work together in a professional manner with courteous, mutual respect.

Harassment based on color, national origin, age, religion or disability encompasses a wide range of behaviors, including racially based derogatory comments, taunting, or treatment. Examples of protected category harassment may include, but are not limited to, the following:

- 1. Slurs or put-downs based on color, national origin, age, religion or disability.
- 2. Materials such as cartoons or e-mails making fun based on color, national origin, age, religion or disability.

UCIP considers prompt reporting of harassment to be a condition of your employment. If you believe that you have experienced or witnessed harassment based on color, national origin, age, religion or disability, you must immediately report your concern to the Chief Executive Officer. If you feel uncomfortable reporting to the Chief Executive Officer, contact a member of the Board of Trustees.

UCIP will investigate allegations of protected category harassment and will take appropriate action against any person found to have violated this policy. Individuals who engage in protected category harassment are subject to discipline, which may include, but is not limited to reprimand, reassignment, suspension, demotion, termination, or other sanctions.

E. Computer and E-Mail Usage

UCIP recognizes that excessive personal use of UCIP-owned computers during work hours can affect productivity. UCIP reserves the right to monitor computer usage, files stored on UCIP computers and Internet usage.

For purposes of this policy, "files" means all documents, programs, e-mail, and Internet locations that are created, accessed, stored, or temporarily located on a UCIP computer.

- 1. **Personal Use**. Employees may use assigned computers for limited personal purposes. This approval is similar to the occasional personal use of telephones during breaks. Excessive use of the computer for personal reasons is not allowed.
- 2. **Inappropriate Usage.** Employees are not allowed to use a computer for self- employment, or outside employment purposes. Entering or maintaining information on a Pool computer that is in violation of UCIP's policies and procedures, or that violates state or federal law, is prohibited.
- 3. **Privacy.** All files created, accessed, or stored on a UCIP computer are considered UCIP property. Employees are advised that there is no right to privacy when using a UCIP Computer. As a public agency, all data and files created, accessed, or stored on a UCIP computer may be subject to governmental records access laws, and may become public in compliance with such laws.
- 4. **Licenses**. Employees shall use computer software only in accordance with the license agreement. Copying software licensed to, or developed by, UCIP for home computer use or any other purpose is prohibited. Bringing software from home computers to run on UCIP computers is also prohibited. Downloading of software onto UCIP computers is prohibited unless prior authorization has been provided by the Chief Executive Officer.
- 5. **Equipment**. Only authorized employees may purchase, move, alter, or repair computer equipment and wiring.
- 6. **E-mail**. Employees may use UCIP's e-mail functions as explained above.
- 7. **Internet Access**. Internet usage falls within the above constraints.
- 8. **Disciplinary Action**. Employees using Pool computers in an unauthorized or inappropriate manner may be disciplined. Discipline may include termination.

F. Seat Belt Use

Employees must use seatbelts while in vehicles performing UCIP business which includes travel eligible for reimbursement by UCIP.

G. Cell Phone Use

Cell phones should not be used while in vehicles performing UCIP business which includes travel eligible for reimbursement by UCIP when it is a distraction to driving. Whenever possible, the employee should use hands free phone equipment or pull over when safe to continue or return the phone call.

H. Acceptance of Gifts, Compensation or Loans

As public agency employees, UCIP employees are required to comply with Utah Code §67-16-5 as amended. Employees must notify the Chief Executive Officer of all gifts accepted by individual employees. Gifts offered to the staff as group will be approved by the Chief Executive Officer prior to acceptance. Failure to comply with this policy may result in discipline. Discipline may include termination.

SECTION V - DISPUTE RESOLUTION PROCESS

A. Dispute Resolution Philosophy

UCIP encourages its employees to work to resolve disputes amicably and informally. When a dispute arises regarding suspension, transfer, demotion, or dismissal, full-time employees may seek redress through the dispute resolution process. When a dispute arises regarding unlawful discrimination, all employees may seek redress through the dispute resolution process. The following definitions apply to the dispute resolution process:

- 1. **Suspension**. An absence imposed as discipline, without pay, which may or may not result in further disciplinary action.
- 2. **Transfer**. An involuntary job assignment change from one department to another.
- 3. **Demotion**. A job classification change to a lower grade.
- 4. **Dismissal**. Involuntary termination from Pool employment
- 5. **Unlawful Discrimination**. A claim of discriminatory treatment based on a protected category such as race, color, national origin, sex, age, disability, or religion.

This dispute resolution process is intended to foster fair resolution of employee disputes. Therefore, procedure should not override efforts to amicably resolve differences. However, in order to expeditiously resolve disputes and minimize interference with the public's business, matters of timing should be adhered to unless good cause is shown or the parties agree to extensions.

UCIP prohibits retaliation against employees who utilize the dispute resolution process. Employees with questions regarding how the dispute resolution process works may seek counseling from the Chief Executive Officer regarding procedure; however, the Chief Executive Officer cannot comment or provide advice on the substantive issues in dispute. Employees may select a representative of their choice to represent them at any stage of the dispute resolution process.

UCIP urges employees to attempt to resolve disputes informally with the Chief Executive Officer. Before launching a formal review with the Chief Executive Officer, employees should attempt to resolve disputes by dealing directly with the individuals involved. However, UCIP recognizes that there are circumstances where employees may feel uncomfortable addressing issues directly with a supervisor. In such cases, employees may proceed directly to the next step of the dispute resolution process.

B. Dispute Resolution Procedure

UCIP's dispute resolution process involves two steps. Employees who are unhappy with the outcome of any step may proceed to the next step in the process. Step one of the dispute resolution process must be commenced within 30 calendar days of the event giving rise to the dispute or within 30 calendar days of the time the employee reasonably should have known of the event giving rise to the dispute.

Step One: Chief Executive Officer Review

If a dispute remains unresolved after an informal attempt to work out a solution, an employee may file a written appeal with the Chief Executive Officer stating the basis of the dispute and outlining the employee's position. The Chief Executive Officer has ten working days to respond to the employee's dispute.

Step Two: Board of Trustees Review

If the employee is unsatisfied with the outcome of the Chief Executive Officer review, or if the Chief Executive Officer fails to respond within ten working days, the employee has ten working days from the receipt of the Chief Executive Officer's response, or the date the Chief Executive Officer should have responded, to file a written appeal with the Board of Trustees. The Board may request additional information from the parties involved and, at its discretion, may hold an informal hearing attended by the parties. If the Board elects to hold a hearing, the Board will issue a written decision to the parties within fifteen working days from the hearing date. If the Board elects not to hold a hearing, the Board will issue a written decision within fifteen working days of receipt of the last additional information requested by the Board from the parties.

SCHEDULE OF UCIP DISCRETIONARY BENEFITS

UCIP will provide the benefits outlined in the UCIP Employee Manual at the rates and under the terms and conditions described within this Schedule of UCIP Discretionary Benefits. All benefits described may be amended from time to time by action of the UCIP Board of Trustees, at their sole discretion.

Retirement Account Contributions

Pension Plan. UCIP pays the required employer retirement contributions as certified annually into the Public Employee Local Governmental Public Employees'

Noncontributory Retirement Program System of the administered by the Utah Retirement Systems for the plan that the employee is eligible.

Individual Retirement Accounts. UCIP will provide each employee the option to participate in either or both a 401k plan administered by the Utah Retirement Systems and a 457 plan administered by Nationwide Insurance through the National Association of Counties. UCIP contributes an amount equal to the amount contributed by the employee from the employee's payroll into the 401k plan and/or the 457 plan at the employee's discretion. The total UCIP contribution to the URS 401k Plan and the Nationwide 457 Plan shall not exceed 5% of the employee's eligible payroll.

Health Insurance

For the UCIP sponsored group health insurance coverage, UCIP pays 90% of the monthly premiums for employee coverage and 90% of the monthly premiums for the employee's spouse and eligible dependents coverage. The employee is responsible for all deductibles and co-payments.

Accidental Death and Dismemberment

For the UCIP sponsored group Accidental Death and Dismemberment insurance coverage, UCIP pays 100% of the monthly premiums for \$50,000 of coverage for the employee.

Dental and Optical Insurance

For the UCIP sponsored group dental and optical insurance coverage, UCIP pays 90% of the monthly premiums for employee coverage and 90% of the monthly premiums for the employee's spouse and eligible dependents coverage. The employee is responsible for all deductibles and co-payments.

Long Term Disability

In compliance with Utah Code §49-21-101 et. seq. as amended, Public Employees Long Term Disability Act, UCIP shall pay 100% of contributions to the fund created under the Act for all eligible Tier 1 employees, to provide benefits as provided for in the Act.

Health Reimbursement Program

UCIP will annually deposit \$41.70 each full calendar month worked up to a maximum of \$500 annually into a Health Reimbursement Account for each employee. Employees may

be reimbursed from their account for the cost of deductibles, co-payments and other eligible unreimbursed health care expenses. Funds in the account at the end of the year will be rolled over into the account for the following year.

Life Insurance

For the UCIP sponsored group life insurance coverage, UCIP pays 100% of the monthly premiums for \$50,000 coverage for the employee and 100% of the monthly premium for \$10,000 coverage for the employee's spouse and eligible dependents.

Auto Allowance

UCIP provides specific employees who regularly use their personal auto for UCIP business a Monthly Auto Allowance of \$750. The employee will be reimbursed for mileage only when the mileage for a UCIP approved business trip exceeds the Mileage Reimbursement Threshold of 100 Miles round trip.

Cell Phone Allowance

UCIP provides specific employees, as identified by the UCIP Board of Trustees, who regularly use their personal cell phone for UCIP business, a Monthly Cell Phone Allowance of \$75.

Vacation

Eligible employees with less than five years of service earn vacation leave at the rate of one day of vacation leave for every month worked (one day for each full month of service). Employees with more than five but less than ten years of service earn 1.25 days per month, and employees with ten years of service and over earn 1.67 days per month. Vacation leave may be advanced to employees with the approval of the Chief Executive Officer. Advanced leave requests of more than 12 days must be submitted to the UCIP Board of Trustees for approval. Advanced leave not earned prior to a termination will be deducted from the employee's final pay check.

Vacation hours may be carried forward to succeeding years. However, no more than 45 days (360 hours) may be accumulated. All accumulated vacation leave above 45 days will be paid to the employee at the current rate of pay at the end of the calendar year.

Sick Leave

Eligible employees earn sick leave at a rate of one day of leave for every month worked (one day for each full month of service). Sick leave is earned in whole day increments only.

A limit of 75 days (600 hours) of earned sick leave may be accrued and carried forward to succeeding years. Earned or accrued sick leave exceeding this limit may be converted to additional vacation time at the rate of one day sick leave equals one-half (½) day additional vacation time and may either be added to the employee's accrued vacation or paid to the employee, at the rate of pay that the sick leave was earned, at the end of the calendar year.

Discretionary Award

Discretionary awards may not exceed \$250 per employee.

Public Officers Prohibiting Employment of Relatives

- 52-3-1. Employment of relatives prohibited -- Exceptions.
 - (1) For purposes of this section:
- (a) "Appointee" means an employee whose salary, wages, pay, or compensation is paid from public funds.
- (b) "Chief administrative officer" means the person who has ultimate responsibility for the operation of the department or agency of the state or a political subdivision.
- (c) "Public officer" means a person who holds a position that is compensated by public funds.
- (d) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.
- (2) (a) No public officer may employ, appoint, or vote for or recommend the appointment of a relative in or to any position or employment, when the salary, wages, pay, or compensation of the appointee will be paid from public funds and the appointee will be directly supervised by a relative, except as follows:
- (i) the appointee is eligible or qualified to be employed by a department or agency of the state or a political subdivision of the state as a result of his compliance with civil service laws or regulations, or merit system laws or regulations;
 - (ii) the appointee will be compensated from funds designated for vocational training;
 - (iii) the appointee will be employed for a period of 12 weeks or less;
 - (iv) the appointee is a volunteer as defined by the employing entity;
 - (v) the appointee is the only person available, qualified, or eligible for the position; or
- (vi) the chief administrative officer determines that the public officer is the only person available or best qualified to perform supervisory functions for the appointee.
- (b) No public officer may directly supervise an appointee who is a relative when the salary, wages, pay, or compensation of the relative will be paid from public funds, except as follows:
- (i) the relative was appointed or employed before the public officer assumed his position, if the relative's appointment did not violate the provisions of this chapter in effect at the time of his appointment;
- (ii) the appointee is eligible or qualified to be employed by a department or agency of the state or a political subdivision of the state as a result of his compliance with civil service laws or regulations, or merit system laws or regulations;
 - (iii) the appointee will be compensated from funds designated for vocational training;
 - (iv) the appointee will be employed for a period of 12 weeks or less;
 - (v) the appointee is a volunteer as defined by the employing entity;
 - (vi) the appointee is the only person available, qualified, or eligible for the position; or
- (vii) the chief administrative officer determines that the public officer is the only person available or best qualified to perform supervisory functions for the appointee.
 - (c) When a public officer supervises a relative under Subsection (2)(b):
- (i) the public officer shall make a complete written disclosure of the relationship to the chief administrative officer of the agency or institution; and
- (ii) the public officer who exercises authority over a relative may not evaluate the relative's job performance or recommend salary increases for the relative.
- (3) No appointee may accept or retain employment if he is paid from public funds, and he is under the direct supervision of a relative, except as follows:

(a) the relative was appointed or employed before the public officer assumed his position, if the relative's appointment did not violate the provisions of this chapter in effect at the time of his appointment;

(b) the appointee was or is eligible or qualified to be employed by a department or agency of the state or a political subdivision of the state as a result of his compliance with (c) the appointee civil service laws or regulations, or merit system laws or regulations; is the only person available, qualified, or eligible for the position;

(d) the appointee is compensated from funds designated for vocational training;

(e) the appointee is employed for a period of 12 weeks or less;

(f) the appointee is a volunteer as defined by the employing entity; or

(g) the chief administrative officer has determined that the appointee's relative is the only person available or qualified to supervise the appointee.

52-3-2. Each day of violation a separate offense.

Each day any such person, father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousins, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law, is retained in office by any of said officials shall be regarded as a separate offense.

52-3-3. Penalty.

Any person violating any of the provisions of this chapter is guilty of a misdemeanor. 52-3-4. Exceptions in towns and rural areas.

(1) In a town, as defined in Section 10-1-104, this chapter shall not apply to the employment of uncles, aunts, nephews, nieces, or cousins.

(2) This chapter shall not apply to the employment of a relative if:

(a) fewer than 3,000 people live within 40 miles of the primary place of employment, measured over all weather public roads;

(b) the job opening has had reasonable public notice; and

(c) the relative is the best qualified candidate for the position.

(3) In any proceeding challenging the hiring of a relative under the exception in Subsection (2), the employer has the burden of establishing each of the criteria provided in Subsections (2)(a) through (c).

State Officers and Employees Utah Public Officers' and Employees' Ethics Act

- 67-16-5. Accepting gift, compensation, or loan -- When prohibited.
- (1) As used in this section, "economic benefit tantamount to a gift" includes:
- (a) a loan at an interest rate that is substantially lower than the commercial rate then currently prevalent for similar loans; and
- (b) compensation received for private services rendered at a rate substantially exceeding the fair market value of the services.
- (2) It is an offense for a public officer or public employee, under circumstances not amounting to a violation of Section 63G-6-1001 or 76-8-105, to knowingly receive, accept, take, seek, or solicit, directly or indirectly for himself or another a gift of substantial value or a substantial economic benefit tantamount to a gift:
- (a) that would tend improperly to influence a reasonable person in the person's position to depart from the faithful and impartial discharge of the person's public duties;
- (b) that the public officer or public employee knows or that a reasonable person in that position should know under the circumstances is primarily for the purpose of rewarding the public officer or public employee for official action taken; or
- (c) if the public officer or public employee recently has been, is now, or in the near future may be involved in any governmental action directly affecting the donor or lender, unless a disclosure of the gift, compensation, or loan and other relevant information has been made in the manner provided in Section 67-16-6.
 - (3) Subsection (2) does not apply to:
 - (a) an occasional nonpecuniary gift, having a value of not in excess of \$50;
 - (b) an award publicly presented in recognition of public services;
 - (c) any bona fide loan made in the ordinary course of business; or
 - (d) a political campaign contribution.

Utah State Retirement and Insurance Benefit Act

49 21 101. Title.

This chapter is known as the "Public Employees' Long Term Disability Act." 49 21 102. Definitions.

As used in this chapter:

- (1) "Date of disability" means the date on which a period of continuous disability commences, and may not commence on or before the last day of actual work.
- (2) (a) "Eligible employee" means the following employee whose employer provides coverage under this chapter:
- (i) (A) any regular full time employee as defined under Section 49 12 102, 49 13 102, or 49 22 102;
- (B) any public safety service employee as defined under Section 49 14 102, 49 15 102, or 49 23 102;
- (C) any firefighter service employee or volunteer firefighter as defined under Section 49 23 102 who began firefighter service on or after July 1, 2011;
- (D) any judge as defined under Section 49 17 102 or 49 18 102; or
- (E) the governor of the state;
- (ii) an employee who is exempt from participating in a retirement system under Subsection 49 12 203(2), 49 13 203(2), 49 14 203(1), or 49 15 203(1); and
- (iii) an employee who is covered by a retirement program offered by the Teachers' Insurance and Annuity Association of America.
- (b) "Eligible employee" does not include:
- (i) any employee that is exempt from coverage under Section 49 21 201; or
- (ii) a retiree.
- (3) "Elimination period" means the three months at the beginning of each continuous period of total disability for which no benefit will be paid. The elimination period begins on the nearest first day of the month from the date of disability. The elimination period may include a one time trial return to work period of less than 15 consecutive calendar days.
- (4) "Maximum benefit period" means the maximum period of time the monthly disability income benefit will be paid under Section 49 21 403 for any continuous period of total disability.
- (5) "Monthly disability benefit" means the monthly payments and accrual of service credit under Section 49 21 401.
- (6) "Objective medical impairment" means an impairment resulting from an injury or illness which is diagnosed by a physician and which is based on accepted objective medical tests or findings rather than subjective complaints.
- (7) "Physician" means a licensed physician.
- (8) "Regular monthly salary" means the amount certified by the participating employer as the monthly salary of the eligible employee, unless there is a discrepancy between the certified amount and the amount actually paid, in which case the office shall determine the regular monthly salary.
- (9) "Regular occupation" means either the primary duties performed by the eligible employee for the 12 months preceding the date of disability, or a permanent assignment of duty to the eligible employee.
- (10) "Rehabilitative employment" means any occupation or employment for wage or profit, for which the eligible employee is reasonably qualified to perform based on education, training, or experience.

- (11) (a) "Total disability" means the complete inability, due to objective medical impairment, whether physical or mental, to engage in the eligible employee's regular occupation during the elimination period and the first 24 months of disability benefits.
- (b) "Total disability" means, after the elimination period and the first 24 months of disability benefits, the complete inability, based solely on physical objective medical impairment, to engage in any gainful occupation which is reasonable, considering the eligible employee's education, training, and experience.

49 21 103. Creation of program.

There is created for eligible employees the "Public Employees' Long Term Disability Program."

49 21 104. Creation of trust fund.

- (1) There is created the "Public Employees' Long Term Disability Trust Fund" for the purpose of paying the benefits and costs of administering this program.
- (2) The fund shall consist of all money and interest paid into it in accordance with this chapter, whether in the form of cash, securities, or other assets, and of all money received from any other source.
- (3) Custody, management, and investment of the fund shall be governed by Chapter 11, Utah State Retirement Systems Administration.

49 21 105. Purpose.

- (1) The purpose of this chapter is to provide long term disability benefits for eligible employees.
- (2) The program shall be administered by the office, under policies and rules adopted by the board.
- 49 21 201. Program membership Eligibility.
- (1) The state shall cover all of its eligible employees under this chapter.
- (2) Public safety service employees, as defined in Sections 49 14 102, 49 15 102, and 49 23 102 shall be covered under this chapter or a substantially similar long term disability program in accordance with the provisions of Section 49 14 601, 49 15 601, or 49 23 601.
- (3) Beginning on July 1, 2011, firefighter service employees, as defined in Section 49 23 102, initially entering employment on or after July 1, 2011, and volunteer firefighters, as defined in Section 49 23 102, shall be covered under this chapter or a substantially similar long term disability program in accordance with the provisions of Section 49 23 601.
- (4) Except as provided under Subsection (5), all other employers may provide coverage for their eligible employees under this chapter.
- (5) If an employer elects to cover any of its eligible employees under this chapter, all of its eligible employees shall be covered.
- (6) Except as provided under Subsections (1) and (2), nothing in this chapter requires any employer to cover its eligible employees under this chapter.
- (7) The following employees are not eligible for coverage under this chapter:
- (a) firefighter service employees, as defined under Section 49 16 102, that initially entered employment prior to July 1, 2011; and
- (b) legislators.
- 49 21 301. Contributions to fund program Adjustment of premium rate.
- (1) During each legislative session, the board shall certify to the Legislature the employer paid premium rate expressed as a percentage of salary which is required to fund the Public Employees' Long Term Disability Trust Fund.
- (2) Upon the board's recommendation, the Legislature shall adjust the premium rate to maintain adequate funding for the Public Employees' Long Term Disability Trust Fund.

49-21-401. Disability benefits -- Application -- Eligibility.

(1) An eligible employee shall apply for long-term disability benefits under this chapter by:

(a) completing an application form prepared by the office;

- (b) signing a consent form allowing the office access to the eligible employee's medical records; and
 - (c) providing any documentation or information reasonably requested by the office.
- (2) (a) If an eligible employee is unable to apply on the employee's own behalf, the application may be made by a person who is:
 - (i) the attorney for an eligible employee; or
 - (ii) appointed as a conservator or guardian of the eligible employee.
- (b) A person described in Subsection (2)(a), may not make an application for a deceased employee.
- (3) Upon request by the office, the participating employer of the eligible employee shall provide to the office documentation and information concerning the eligible employee.
- (4) The office shall review all relevant information and determine whether or not the eligible employee has a total disability.
- (5) If the office determines that the eligible employee has a total disability due to accidental bodily injury or physical illness which is not the result of the performance of an employment duty, the eligible employee shall receive a monthly disability benefit equal to two-thirds of the eligible employee's regular monthly salary, for each month the total disability continues beyond the elimination period, not to exceed the maximum benefit period.
- (6) If the office determines that the eligible employee has a total disability due to psychiatric illness, the eligible employee shall receive:
- (a) a maximum of two years of monthly disability benefits equal to two-thirds of the eligible employee's regular monthly salary for each month the total disability continues beyond the elimination period;
- (b) a maximum of \$10,000 for psychiatric expenses, including rehabilitation expenses preauthorized by the office's consultants, paid during the period of monthly disability
- (c) payment of monthly disability benefits according to contractual provisions for a period not to exceed five years if the eligible employee is institutionalized due to psychiatric illness.
- (7) If the office determines that the eligible employee has a total disability due to a physical injury resulting from external force or violence as a result of the performance of an employment duty, the eligible employee shall receive a monthly disability benefit equal to 100% of the eligible employee's regular monthly salary, for each month the total disability continues beyond the elimination period, not to exceed the maximum benefit period.
- (8) (a) Successive periods of disability are considered as a continuous period of disability if the period of disability:
 - (i) results from the same or related causes;
- (ii) is separated by less than six months of continuous full-time work at the individual's usual place of employment; and
 - (iii) commences while the individual is an eligible employee covered by this chapter.
- (b) The inability to work for a period of less than 15 consecutive calendar days is not considered as a period of disability.
- (c) If Subsection (8)(a) or (b) does not apply, successive periods of disability are considered as separate periods of disability.

- (9) The office may, at any time, have any eligible employee claiming to have a disability examined by a physician chosen by the office to determine if the eligible employee has a total disability.
- (10) A claim brought by an eligible employee for long-term disability benefits under the Public Employee's Long-Term Disability Program is barred if it is not commenced within one year from the eligible employee's date of disability, unless the office determines that under the surrounding facts and circumstances, the eligible employee's failure to comply with the time limitations was reasonable.
- (11) Medical or psychiatric conditions which existed prior to eligibility may not be a basis for disability benefits until the eligible employee has had one year of continuous eligibility in the Public Employees Long-Term Disability Program.
- (12) If there is a valid benefit protection contract, service credit shall accrue during the period of total disability, unless the disabled eligible employee is exempted from a system, or is otherwise ineligible for service credit.
- (13) Regardless of any medical evidence provided by the employee to support the application for disability, an employee is not eligible for long-term disability benefits during any period in which the employee:
 - (a) makes a claim that the employee is able to work; or
- (b) has a pending action in a court or before any federal, state, or local administrative body in which the employee has made a claim that the employee is able to work.
- (14) Notwithstanding the provisions of Section 49-11-618, upon written request by an employer, information obtained under this part may, upon an order of a court or an administrative law judge, be released to an employer who is a party in an action under Subsection (13).
- 49 21 402. Reduction or reimbursement of benefit Circumstances Application for other benefits required.
- (1) A monthly disability benefit may not be paid for any period of total disability unless the eligible employee is under the ongoing care and treatment of a physician other than the eligible employee.
- (2) The monthly disability benefit shall be reduced or reimbursed by any amount received by, or payable to, the eligible employee from the following sources for the same period of time during which the eligible employee is entitled to receive a monthly disability benefit:
- (a) Social Security disability benefits, including all benefits received by the eligible employee, the eligible employee's spouse, and the eligible employee's children as determined by the Social Security Administration;
- (b) workers' compensation indemnity benefits;
- (c) any money received by judgment, legal action, or settlement from a third party liable to the employee for the disability;
- (d) unemployment compensation benefits;
- (e) automobile no fault, medical payments, or similar insurance payments; and
- (f) any money received by a judgment, settlement, or other payment as a result of a claim against an employer.
- (3) The monthly disability benefit shall be reduced by any amount in excess of one third of the eligible employee's regular monthly salary received by, or payable to, the eligible employee from the following sources for the same period of time during which the eligible employee is entitled to receive a monthly disability benefit:
- (a) any employer sponsored retirement programs; and
- (b) any disability benefit resulting from the disability for which benefits are being received under this chapter.

(4) After the date of disability, cost of living increases to any of the benefits listed in Subsection (2) or (3) may not be considered in calculating a reduction to the monthly disability benefit.

(5) Any amounts payable to the eligible employee from one or more of the sources under Subsection (2) are considered as amounts received whether or not the amounts were

actually received by the eligible employee.

(6) (a) An eligible employee shall first apply for all disability benefits from governmental entities under Subsection (2) to which the eligible employee is or may be entitled, and provide to the office evidence of the applications.

(b) If the eligible employee fails to make application under this Subsection (6), the

monthly disability benefit shall be suspended.

49-21-403. Termination of disability benefits -- Calculation of retirement benefit.

(1) An eligible employee covered by this chapter and eligible for service credit under a system or plan, including an eligible employee who relinquishes rights to retirement benefits under Section 49-11-619, who applies and is qualified for a monthly disability benefit shall receive a monthly disability benefit until the earlier of:

(a) the date of the eligible employee's death;

(b) the date the eligible employee no longer has a disability;

(c) the date the eligible employee has accumulated:

- (i) 20 years of service credit if the eligible employee is covered by Chapter 14, Public Safety Contributory Retirement Act, or Chapter 15, Public Safety Noncontributory Retirement Act;
- (ii) 25 years of service credit if the eligible employee is covered by Chapter 17, Judges' Contributory Retirement Act, or Chapter 18, Judges' Noncontributory Retirement Act;
- (iii) 30 years of service credit if the eligible employee is covered by Chapter 12, Public Employees' Contributory Retirement Act, or Chapter 13, Public Employees' Noncontributory Retirement Act;
- (iv) 35 years of service credit if the eligible employee is covered by the defined benefit portion under Chapter 22, Part 3, Tier II Hybrid Retirement System, or is covered by the defined contribution plan under Chapter 22, Part 4, Tier II Defined Contribution Plan; or
- (v) 25 years of service credit if the eligible employee is covered by the defined benefit portion under Chapter 23, Part 3, Tier II Hybrid Retirement System, or is covered by the defined contribution plan under Chapter 23, Part 4, Tier II Defined Contribution Plan; or
- (d) the date the eligible employee has received a monthly disability benefit for the following applicable time periods:
- (i) if the eligible employee is under age 60, the monthly disability benefit is payable until age 65;
- (ii) if the eligible employee is 60 or 61 years of age on the date of disability, the monthly disability benefit is payable for five years;
- (iii) if the eligible employee is 62 or 63 years of age on the date of disability, the monthly disability benefit is payable for four years;
- (iv) if the eligible employee is 64 or 65 years of age on the date of disability, the monthly disability benefit is payable for three years;
- (v) if the eligible employee is 66, 67, or 68 years of age on the date of disability, the monthly disability benefit is payable for two years; and
- (vi) if the eligible employee is 69 years of age or older on the date of disability, the monthly disability benefit is payable for one year.
- (2) (a) Upon termination of a monthly disability benefit, an eligible employee eligible for service credit under a system may retire under the requirements of the system which covered the eligible employee on the date of disability.

- (b) The final average salary used in the calculation of the allowance shall be based on the annual rate of pay on the date of disability, improved by the annual cost-of-living increase factor applied to retirees of the system which covered the eligible employee on the date of disability.
- (3) An eligible employee who is eligible for service credit in a system, but has relinquished rights to an allowance under Section 49-11-619, may receive the benefits the eligible employee would have received by being eligible for service credit in the system covering

the eligible employee on the date of disability, except for the accrual of service credit, in accordance with this title.

- (4) An eligible employee receiving a monthly disability benefit who has service credit from two or more systems may not combine service credits under Section 49-11-405 in qualifying for retirement, unless the eligible employee would receive a greater allowance by combining the service credits.
- (5) An eligible employee covered by this chapter who is a participant in the Tier II Defined Contribution Plan, created in Chapter 22, Part 4, Tier II Defined Contribution Plan, or Chapter 23, Part 4, Tier II Defined Contribution Plan, who applies and is qualified for a monthly disability benefit, shall receive a monthly disability benefit until the earlier
 - (a) the date of the eligible employee's death;
 - (b) the date the eligible employee no longer has a disability;
- (c) (i) 35 years from the date the eligible employee began participation in the Tier II Defined Contribution Plan, created in Chapter 22, Part 4, Tier II Defined Contribution Plan; or
- (ii) 25 years from the date the eligible employee began participation in the Tier II Defined Contribution Plan created in Chapter 23, Part 4, Tier II Defined Contribution Plan;
- (d) the date the eligible employee has received a monthly disability benefit for the following applicable time periods:
- (i) if the eligible employee is under age 60, the monthly disability benefit is payable until age 65;
- (ii) if the eligible employee is 60 or 61 years of age on the date of disability, the monthly disability benefit is payable for five years;
- (iii) if the eligible employee is 62 or 63 years of age on the date of disability, the monthly disability benefit is payable for four years;
- (iv) if the eligible employee is 64 or 65 years of age on the date of disability, the monthly disability benefit is payable for three years;
- (v) if the eligible employee is 66, 67, or 68 years of age on the date of disability, the monthly disability benefit is payable for two years; and
- (vi) if the eligible employee is 69 years of age or older on the date of disability, the monthly disability benefit is payable for one year.
- 49 21 404. Annual adjustment to disability benefit.
- (1) (a) An eligible employee receiving a monthly disability benefit shall receive an annual adjustment on the date following the end of the elimination period to reflect annual changes in the United States Bureau of Labor Statistics Consumer Price Index average as determined by the board.
- (b) This adjustment may not exceed adjustments made to retirees under the system which covered the eligible employee on the date of disability.

(2) If an employee is not participating in a system, the annual adjustment may not exceed the adjustment paid in the system which would cover the employee if the employee were participating in a system.

49 21 405. Disability benefit -- Exclusions.

A monthly disability benefit is not payable for the following:

- (1) self inflicted injury;
- (2) alcoholism;
- (3) substance abuse;
- (4) disability arising from or caused by acts of aggression committed by the eligible employee; or
- (5) the eligible employee committing or attempting to commit a felony or other illegal act. 49 21 406. Rehabilitative employment Interview by disability specialist Maintaining eligibility Additional treatment and care.
- (1) (a) If an eligible employee, during a period of total disability for which the monthly disability benefit is payable, engages in approved rehabilitative employment, the monthly disability benefit otherwise payable shall be reduced by an amount equal to 50% of the income to which the eligible employee is entitled for the employment during the month.
- (b) This benefit is payable for up to two years or to the end of the maximum benefit period, whichever occurs first.
- (2) (a) Each eligible employee receiving a monthly disability benefit shall be interviewed by the office.
- (b) The office may refer the eligible employee to a disability specialist for a review of the eligible employee's condition and a written rehabilitation plan.
- (3) If an eligible employee receiving a monthly disability benefit fails to participate in an office approved rehabilitation program within the limitations set forth by a physician, the monthly disability benefit may be suspended or terminated.
- (4) The office may, as a condition of paying a monthly disability benefit, require that the eligible employee receive medical care and treatment if that treatment is reasonable or usual according to current medical practices.

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ZIONS® Wealth Advisors ACCOUNT SUMMARY

UCIP

Account #8913870

From 1/01/2013 Through 1/31/2013

ACCOUNT SUMMARY (COST):

BEGINNING BALANCE:	2,047,403.62
DEPOSITS IN THE PERIOD:	-
WITHDRAWALS IN THE PERIOD:	2 1
REALIZED GAIN/LOSS:	- 0.444.07
GROSS INCOME:	3,441.87
MANAGEMENT FEE (0.136%):	(237.95)
ENDING BALANCE:	2,050,607.54

PERFORMANCE SUMMARY

INTEREST EARNED:	2,190.91
AMORTIZATION/ACCRETION (Month to Date):	9.35
REALIZED GAIN/LOSS:	
GROSS EARNINGS:	2,200.26
MANAGEMENT FEE (0.136%):	(237.95)
NET EARNINGS:	1,962.31
AVERAGE DAILY BALANCE:	2,054,625.00
GROSS EARNINGS RATE:	1.2436%
(360-day yield) NET EARNINGS RATE: (360-day yield)	1.1091%
(000 00) 1.0.2/	

- * Performance calculated using trade-date accounting.
- Management fee is charged on first day of following month, then back-dated to reflect the charged fee
 for the month in which it was earned. Funds invested in PTIF are not charged management fees.
- This summary is provided as a courtesy and for informational purposes only. It should not be used for tax purposes. Clients should refer to their custodial statement as the official account documentation.
- * Please note that amortization and accretion makes up a portion of the Gross Earnings. Amortization and accretion is expense / income that is received from buying securities at a premium / discount (i.e., commercial paper).
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